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The Nation's Business

Australia to Fore at London Conference
British Capital and Canadian Enterprise
Exporting Raw Materials
Mond Speaks Out
World Wheat Pool

CABLES from H. T. Hunter, vice-president of The Financial Post, who went to London to follow at close hand the Imperial Conference, confirm the impression many Canadian business men have gained from daily despatches in the press; namely, that Australia has in this conference, as in most recent activities in Britain, caught the imagination of the British classes and masses.

Premier Bruce of Australia, Mr. Hunter declares, has a definite constructive policy to offer, and is undoubtedly the outstanding man at the conference. The British press, day by day, features his views. Before he came, Australian agents in London had done a great deal of preparatory work with the public and the press, and an able publicity department is now on the job to see that Australia's viewpoint is given full recognition.

Canada needs more publicity and better merchandising methods in Britain, declares Mr. Hunter, who is of the opinion that these would greatly increase sales of Canadian produce and merchandise in British markets.

There is no immediate prospect of further extension of Imperial preferences.

Canada, Ireland and Africa seem likely to secure their demand to appoint their own governor-generals, who would make their recommendations directly to the King instead of to the admittedly decadent and bureaucratic Colonial Office.

* * *

BEFORE the war, Canada was closely bound to Britain by a very strong financial tie. This country had little accumulated wealth in comparison with its natural opportunities. Great Britain had enormous wealth, the aggregate savings of many generations of world financiers and traders, and millions of pounds of this came to Canada to fill our need. It is easy to understand how the war put a check upon this steady flow of old country dollars into the realm of Canadian investment but it is not so apparent why the movement has not again developed, even on a smaller scale. Great Britain again has money for foreign investment; Canada still offers opportunities. Yet British money is doing little more than trickle over to Canada.

Canada, of course, is not entirely supplying her own capital needs, although a reservoir of wealth has been created in this country and is now and will be in the future an important element in Canadian progress. The surplus of capital, that we require over and above what we can supply, we are getting mainly from the United States. United States control of our great industrial and other productive developments is continuing to grow apace and is causing not a little concern among Canadians. That American control of our resources and instruments of production is far from being solid enough to warrant any genuine fear that our national identity is likely to be influenced thereby is apparent to those who have studied the question. Canada has gained infinitely more than it can possibly lose from American investments in this country. Yet there are those who worry about it.

* * *

FOR those who would like to see the stream of capital coming westwards from London rather than northwards from New York, there have been this year some crumbs of comfort. One such crumb was provided this week by the very successful flotation of $2,000,000 of bonds of Port Alfred Pulp and Paper Mills in the British market. For many years British interest as our greatest producing industry was but a bagatelle. This year, however, securities of three important Canadian paper mills—Anglo-Canadian, St. Maurice Valley and Port Alfred—have been sold in Great Britain and the appetite of the British investor has been whetted for this type of security. The issue of these securities in London and their successful sale is of considerable significance even though there was not that prompt over-subscription of the issue, which would have indicated a feverish interest. It showed that there is an opening for Canadians to borrow in Britain. It showed that well-backed enterprises can obtain funds there at reasonable rates. It showed that no real obstacles stand in the way of a flow of British capital to Canada. It is a question of definitely passing up the nearest and most convenient source of funds, the United States, to divert some of our own securities to Britain.

If there are any of our investment bankers and promoters who have definite ambitions of being Empire builders, they can climb a step or two up the ladder of that ambition by re-

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Bell Telephone Claims Immense Savings Under Its Northern Contract

Goods Purchased, Witnesses Declare, 10% Under Regular Prices

WHERE BATTLE WAGES

Again Affiliation of Bell Telephone and Northern Electric Big Point at Issue in Rates Case

Bell Telephone Company is not getting the adjusted rate schedule it asks without a hard fight. The application has been before the Board of Railway Commissioners at Ottawa for several months. "Expert witnesses" by the score have had their way and have, by their conflicting testimony, shown that there is little science, but much judgment and adjustment to rate making.

Municipalities served by the company have led the opposition to what amounts to a general rate increase, tempered with some reductions. The case is yet to be finished, but there is a good chance of all evidence being in and cross-examinations of witnesses completed by December 1, when the railway board has another job on its hands—an important coal rates question.

Northern Electric Chief Battleground

On no part of the telephone rates battlefield has the fight waged more fiercely than in the Northern Electric salient. Here the smoke of testimony and the shrapnel of legal classes have raised the usual disturbance that accompanies discussion of this question.

Bell Telephone is closely affiliated with American Telephone and Telegraph Company, which owns, roughly, a third of the Bell stocks. A. T. & T. controls Western Electric across the line, Western Electric being a big manufacturer of electrical supplies, including telephone equipment.

The Northern Electric is a subsidiary of both Western Electric and the Bell Telephone Company. Bell owns half the stock, Western Electric most of the other half.

Here is rare opportunity for discussion. The municipalities have tried to find an ulterior purpose in the tangling of the skein; the 'phone company has tried to show great benefits from the close working arrangement between the different companies. The inquiry has brought out more information about Northern Electric than has come out before and the 'phone company has made rather a strong case to support its claim that 'phone subscribers gain rather than lose from the Northern Electric relationship.

How Northern Contract Benefits

Bell Telephone Company had a witness testify as to the supply contract with the Northern Electric Company and the manner of its working out. The testimony of this witness may be very briefly summarized as follows:

(1) Under the Bell Telephone Company-Northern contract Bell is free to purchase wherever we can do so to the best advantage. Among suplies not purchased through the Northern are such materials as poles, sand, gravel, cement, gasoline, oil, motor vehicles, printed matter, including directories and such like. However, uniformly advantageous prices make it profitable to buy largely from them.

(2) On articles of Northern Electric manufacture, the Bell Company in no case pay more than the lowest price charged other Northern customers, and in the great majority of cases they pay less than anyone else. On 95 per cent. of articles listed in Northern price lists, the Bell Company get a better price than the lowest price on anyone else.

(3) In the Northern's capacity as purchasing agent and storekeeper for the Bell Company it receives a remuneration of 4 per cent. on the net cost of the goods it buys when shipped direct from the supplier to the telephone company, and 9 per cent. when it must stock and re-ship the goods as required by the Bell Company.

(4) A witness filed an exhibit showing on a list of 1,237 items supplied by the Northern to both Bell Company and the general trade, the increase in price to the trade over Bell Company price averaged 10.50 per cent.

(5) Witness filed an exhibit showing price comparisons to 73 leading items as purchased by the Bell Company. The total cost from the Northern Electric amounted to $1,699,824. The Stromberg-Carlson price figured out at $2,155,297—an increase of 26.8 per cent.; the Kellogg Company price $2,127,768 or 25.2 per cent. more. This summary, the witness said, was a fair picture of price levels for all apparatus used by the Bell Company.

(6) Articles not of Northern manufacture, but sold by it to the general trade, as well as to the Bell Company, were shown to be sold to us at a differential of over 10 per cent. in our favor.

(7) The witness cited an instance in which, due to an unusually heavy construction programme in 1922-23, the Northern Electric was unable to meet the Bell Company's full requirements within time specified, for lead covered cable. Purchases were made through Northern Electric from another Canadian manufacturer, the "X" Company. This cable had cost the Bell Company $44,126. The Northern price would have been $36.435, a saving of 21 per cent.

As the witness explained, other telephone systems in Canada are large purchasers of apparatus from the

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Prince George Paper Mill Still "In Air," Says Jones

Frank P. Jones, president and general manager of the Canada Cement Co., Limited, passed through Vancouver the other day en route to Victoria, where he will enjoy a vacation playing golf.

Mr. Jones, whose name has been mentioned in connection with a proposed big pulp and paper plant at Prince George, admitted that the organization of a company for the erection of a plant at Prince George was "in the air." His interest in the project, he said, was that he was one of a syndicate which controlled a large timber tract in the district. Wood, Gundy & Co. of Toronto, had the organization of the company in hand, he said.

RISE IN TEXTILE STOCKS EXPRESSES PUBLIC CONFIDENCE

Despite Difficult Conditions, Companies Hold Their Own

The behavior of stocks of Canadian textile companies on the Canadian stock exchange, during the past few weeks, has attracted considerable attention. Practically without exception they have shown marked buoyancy and the advances recorded have brought the prices either to new high ground or very close to the best level previously recorded this year.

No definite reason for this strength can be assigned. As far as could be learned the advances have mystified even officials of the companies concerned. In a general way, however, the movement in the stocks has been connected with the trend in prices of raw cotton. The theory is that Canadian concerns were on the right side of the market and that they have benefited handsomely as a result of the recent sharp decline in the price of the raw material.

In any case, it is quite apparent that Canadian textile companies have been operating on a profitable basis for some two years past. Although complaints have been voiced by officials from time to time with reference to tariff conditions, the results achieved seem to show that our plants can cope successfully with outside competition. Operating on a small margin of profit, the great efficiency under which business is being conducted has been the chief factor in saving a situation which undoubtedly required—and still requires—very careful watching.

Where Competition Comes From

Competition has to be met from two sources, namely, Great Britain and the United States. The situations in these two countries are quite dissimilar, and neither is like that of Canada. In Great Britain the mills are faced with a loss of markets in other parts of the world, so that excess of production finds its way to Canada, where attempts are made to dispose of the surplus at less than economic prices. In the United States last year, the surplus was due to an overestimation of the requirements of the market. While Canadian mills did not operate under these conditions, they had to meet the prices at which the outside goods were offered. The British mills found it better to sell at cost or at a small loss than to leave their mills idle, while the American mills had to get rid of accumulated stocks. It consequently speaks very highly for the efficiency of the Canadian mills if they have been able to make continued progress under such adverse conditions. The advance in the prices of their securities on the stock market may, in a sense, be regarded as an expression of confidence by the public.

Rise of Textile Stocks

The following is a list of the most prominent textile companies, showing the high price of the year and recent levels:

	Year's High	Year's Low	Recent Price
Can. Converters ..	95	90	95
Dominion Textile .	99⅛	89	94½
Penmans	191	173	188
Wabasso Cotton ..	84	60	84
Montreal Cotton ..	115½	102	115½
Can. Cottons, pref..	99½	92½	95
Can. Wool., pref. ..	50	45	50
Monarch Knit., pf.	50	30	31¼

Ford Motor Plans Vancouver Assembly

If a suitable site can be secured the Ford Motor Company of Canada will build a large assembly plant in Vancouver, according to W. R. Campbell, vice-president of the Ford Motor Company in Vancouver.

Upper photograph shows Toronto plant of Canadian Rail and Harbor Terminals, being rushed to completion in record time.
Below, a somewhat smaller but equally modern storage warehouse, being erected in Montreal by the same group, is shown.

GIANT TERMINAL WAREHOUSES RISE

In Toronto and Montreal Progress is Rapid on Modern Storage Warehouses, Now Being Constructed By Canadian Firms

Excellent progress is being made in the construction of giant warehouses in Toronto and Montreal by two affiliated companies.

Canadian Rail and Harbor Terminals, Toronto, and Montreal Rail and Water Terminals, Montreal, are the two companies favored to carry forward these enterprises. Both are, it is understood, controlled by T. A. Neely, Toronto, and his associates in Municipal Bankers' Corporation, which carried through approximately $7,000,000 of financing for the Toronto terminal warehouse and nearly $5,000,000 for the Montreal plant.

Toronto Terminal is Larger

Canadian Rail and Harbor Terminals, purchased from the Toronto Harbor Commission a site of 14½ acres at the foot of York Street on the harbor front, including over 2,000 feet of concrete docks. On this property, the company has erected an eight storey re-inforced concrete fireproof warehouse of approximately 1,000,000 square feet, of which 700,000 square feet will be devoted to general merchandise storage, 225,000 to cold storage and the balance to office space.

Over a mile of railway sidings are provided, some of which are inside of the building.

To take care of the immense traffic which will develop, accommodation has been made for the loading of over 100 trucks at one time without congestion.

Four freight vessels can be docked alongside the building at one time, and dockage is provided for several other vessels alongside railway tracks for the transhipment of cargoes.

The building has been erected in record time, only 98 working days having elapsed between commencement of the superstructure and the pouring of the concrete roof slab. From 20 to 30 car loads of sand and gravel were used per day, and four to five car loads of Portland cement.

This warehouse is entirely a Canadian enterprise, and the stock control is held in Toronto.

Montreal Warehouse Fireproof

The Montreal company has acquired a plot of ground from the Canadian Pacific Railway Company adjacent to the Place Viger Station in Montreal, and is erecting a modern 10 story re-inforced concrete warehouse containing approximately 600,000 square feet, of which about 150,000 square feet will be cold storage.

Upon completion of the building the company will take over the business of the Molson's Warehouse, now operated by the Canadian Pacific Railway Company.

Every modern facility for the economic handling and distribution of merchandise will be installed.

Owing to the fireproof construction of the building and the provision of automatic fire extinguishing devices, the insurance rate is so low that the company will make no charge for insuring goods stored in this building.

The total capital of the company is $4,400,000.00, and is controlled by Canadians, the C.P.R. being largely interested in the securities.

STANFIELDS ADDS TO TRURO FACTORY FOR RAYON GOODS

Big Maritime Knitting Industry Shows Larger Sales Volume

By Staff Editor.

TRURO, N.S.—Sales volume of Stanfields, Limited, for the first ten months of the present year has been about ten per cent. higher than in 1925. Whilst prices this year are lower, the cost of raw materials has also declined; thus it is anticipated that earnings for the full fiscal year, which ends December 31, will prove satisfactory.

Competition, however, still remains keen throughout the industry, but such competition should in the end prove beneficial to Stanfields by the elimination of perhaps some of the weaker sisters now engaged in the trade. In the meantime, the company's financial position is so strong that the shareholders can face the future with the utmost confidence. The last annual balance sheet showed that the company's working capital alone was equivalent to $168 per share of stock outstanding. Moreover, earnings were equal to more than twice the dividend.

At the present time some extensions and additions to the plant are being completed. These will house the machinery for the manufacture of rayon knit goods, a line which the company first began to produce earlier in the year. The cost of the addition to the plant, with its complement of machinery, will, it is understood, be about $200,000. Stanfields' output consists of the higher grades of underwear and until a few months ago was composed entirely of woollens. Such satisfactory results, however, have been achieved by the new departure into the rayon underwear field that the addition to plant became a necessity.

RAILWAY EARNINGS

Canadian National

Week end.:	1926	1925	Change
Oct. 31	$9,296,935	$9,118,336	+$178,599

St. Regis Paper Mill Soon to be Under Way

Preliminary work on the pulp and paper mills of the St. Regis Paper Company at Cap Rouge, nine miles west of Quebec City, will start this fall, and the construction of the mills will be commenced in the spring, according to information available from the municipality. It has been known for some time that the St. Regis Paper Company intended to operate mills in Quebec, and that Cap Rouge, in view of the advantages offered, had been chosen. In fact, a year ago, the company purchased land for over $100,000 at Cap Rouge, but the construction of the mill was then postponed for an indefinite period.

DOMINION GLASS MAY AGAIN FAIL TO EARN ITS 7 P.C.

Management Says Little So Situation Still Obscured

OPERATIONS PROBLEM

Recent Change in General Managership Accepted as Move Towards Greater Efficiency

Considerable obscurity surrounds the investment situation in the Dominion Glass Company. Little of a definite character can be obtained owing to the policy of reticence pursued by the management. The company issues no monthly or quarterly reports of earnings and as a rule nothing is known about the company's prosperity between one annual report and the next. That there has been some dissatisfaction is evident from the recent change whereby J. W. King was raised from assistant manager to the position of general manager, to fill the vacancy created by the resignation of A. Harold Grier. The new general manager comes from within the organization, having been for some time in charge of the Hamilton plant, and consequently should be familiar with the problems requiring attention.

In the meantime the stock which is listed on the Montreal Stock Exchange, has had a rather tempestuous passage throughout the past year or so. Prices at the present time are very close to the lowest since 1922. This year's low was touched in October, just before the announcement of the change in management, after which the stock rallied fully eight points to 89, but by the end of the month it had sold off again to 85. In March, it sold as high as 105, which compares with a high of 116⅛ for the previous year and a record peak for all time of 121¼, touched in 1924.

Question One of Efficiency

In the past the company undoubtedly demonstrated a good earning power. Last year profits fell short of the seven per cent. dividend on the $4,250,000 of common stock by one per cent., and in his remarks at the annual meeting President Sir Charles Gordon stated that volume of business had been satisfactory but for various reasons costs had gone up too much, with the result that the margin of profit was considerably reduced. The question, therefore, seems to be one of efficiency, and the general feeling among those who have studied the situation is that while it may probably take some time, there is no doubt that economies in operation will be effected so as to bring the profits in line again.

As regards the volume of business, the situation also seems to offer a favorable outlook. The demand for bottles is naturally closely connected with the liquor situation. A good many bottles are utilized for the beer that finds its way across the border, but since stricter supervision has been instituted by prohibition officials, those in the traffic have undoubtedly turned to the more valuable and less bulky liquids containing a higher percentage of alcohol, and thereby the demand for bottles has been reduced. On the other hand, should the Ontario referendum result in the changes sponsored by Premier Ferguson—as many consider likely—the demand for beer bottles would be very largely increased.

Dividend Not Earned, Report

The company's fiscal year ends September 30th, and the report for 1925-26 is expected in the near future. While no information is available at this time as to what the report will

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Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Good Undertone in All Lines of Industry
Wholesale and Retail Trade Continues Satisfactory
Construction Industry Sets High Mark in October
Flour Millers Expect Better Business

THERE is no change of any importance in the business situation, reports from all sections in the Dominion being decidedly optimistic in tone not only in regard to present conditions, but also on the outlook for the winter months. The usual decline in the activities of certain seasonable lines has taken place, but has been less severe than in previous years, so that no ill effects have been felt on this account.

Wholesale and retail trade continues satisfactory, a good volume of business being handled. Dry goods travelers are reported as doing very fairly with spring lines, and there is a continuous inflow of numerous mail orders for immediate shipment, indicating that retail stocks generally are not over plentiful. The textile companies are said to have been prepared for the recent slump in cotton prices, and are in a good position to take advantage of any new business offering. With the advancing season, there is some improvement in orders for furs and business in this line is said to be ahead of last year at this date. Brisk hardware sales are also reported, and with the Christmas season fast approaching, dealers expect to do a very heavy volume of business during the remainder of the year. Other seasonable lines are also moving freely. Unseasonable weather, however, has interfered with retail sales to some extent.

Rumors are current of numerous new developments to take place early next year, which will have a beneficial effect on manufacturing industries. New equipment and materials for mines, hydro-electric plants, proposed hotel and extension to the Chateau at Quebec, office buildings in Montreal, Toronto and other cities, are some of the projects mooted. It is reported that collieries at Sydney are fairly busy at present, owing to a considerable influx of orders. Manufacturers of paints, varnishes, etc., intimate that orders are already coming in fairly well for spring delivery. Boot and shoe plants have a good volume of business on hand and are experiencing a better demand for their products. Operations in steel plants are holding up well, with good prospects for additional business before the close of the year.

Building More Active

An indication of the betterment in general conditions, is seen in the unusual activity in Canadian construction, figures for October being the highest ever recorded for this particular month. Coming as it does after two months of mediocre building, the prospect of good fall and winter seasons is no longer in doubt. With the more active building programme in force, there is a corresponding improvement in the demand for lumber, bricks, cement and other builders' materials.

A hitch has occurred in the woods operations of the Ontario lumber companies for the coming season, owing to consuming centres not using as much lumber as expected, and also because of the unseasonable weather, which has cut off sales of building material and slowed down construction work, particularly in the country districts. Some of the larger concerns have not yet definitely set the scope of their operations, preferring to wait until they can determine more definitely the prospective demands for next year. The situation in the other provinces remains unchanged.

Flour Milling to Benefit

Flour milling is another phase of industries which should experience a stimulus, as a result of the recent order of the railway board to take effect not later than November 15 in correcting the discrimination in freight rates against those operators located considerable distance inland. Under the new rule, mills located inland will now be put on equal terms with those on the lakes as far as the business of milling in transit is concerned. There has been little new overseas buying recently but millers are hopeful that some fresh business will be coming in shortly, although it is not expected that heavy forward buying will take place until the ocean freight situation is adjusted.

The stock and money markets reflect the general situation. Both the Toronto and Montreal exchanges are showing a fair amount of activity. Prices have fluctuated considerably, with the advances more numerous than the recessions. Very heavy dividend payments were made at Montreal during the week, which will make available additional funds for investment in sound enterprises. Money is in fair demand and can be had at between 5 and 6 per cent.

Canadian Business Indicators

Compiled weekly by The Financial Post

Car loadings, week Oct. 23	1926	1925	
Year to date	82,023	76,560+	7%
Merchandise shipped, year to date	2,557,835	2,314,065+	10%
Building permits—September (63 cities)	688,404	644,117+	6%
Construction contracts awarded, October	11,036,359	10,140,853+	8%
Railway Earnings—Nine Months—	43,384,600	29,647,500+	46%
C.P.R. gross			
C.P.R. net	137,331,784	124,674,088+	12%
C.N.R. gross	28,632,021	21,635,921+	44%
C.N.R. net	189,496,292	169,268,260+	12%
Pig Iron Output—tons, September	25,743,334	12,325,763+	108%
Steel Ingot production, September tonnage	64,187	34,609	
9 months to September 30	58,537	45,674	
Employment—October index	600,542	581,711	
Newsprint production—September tonnage	105.2	98.3	
Automobiles produced—(Eight months to September 30)	151,387	124,704+	20%
Immigration, 6 months to June 30	171,953	126,804+	35%
Business failures—No. of firms, 9 months to Sept. 30	70,253	43,241+	63%
Liabilities, 9 months	1,513	1,538	
Imports of key commodities, 12 mos. ending August 30—	19,191,301	26,550,375—	27%
Rubber (raw, in pounds)			
Cotton (in pounds)	46,189,124	38,893,355+	19%
Crude petroleum (in gallons)	135,273,867	112,347,584+	20%
Exports of key commodities (12 mos. end. Aug. 30—	601,312,867	499,059,190+	20%
Canned salmon, lbs.			
Newsprint, cwt. (12 mos. end. Aug. 30)	637,386	770,055—	17%
Wheat flour, bbls. (12 mos. end. Aug. 30)	32,384,966	26,314,055+	23%
Wheat, bushels (12 mos. end. Aug. 30)	10,671,368	10,228,177+	4%
Grain receipts, Aug. 1 to Oct. 15	269,761,912	154,110,268+	75%
Bank clearings, October 22	89,573,094	115,277,855—	28%
Savings deposits, Aug. (chartered banks)	1,645,457,080	1,709,651,392—	3%
Current loans, Aug. (chartered banks)	1,343,116,753	1,268,554,097+	5%
Exports, 12 months to August 31	945,274,265	903,717,736+	4%
Imports, 12 months to August 31	1,323,180,712	1,130,753,557+	17%
Balance of trade, 12 months to August 31	976,886,332	837,787,939+	16%
Price level, September index, 236 commodities	346,294,380	292,965,618+	18%
Cattle—Good, Toronto, Nov. 1	152.5	156.2	
Wheat, No. 1, Nor. Winnipeg, Nov. 1	$6.50	Nov. (Aver.)	$6.81
Hogs—Select, Toronto, Nov. 1	1.44	Nov. (Aver.)	$1.42
Pig iron (Number 1 foundry) Sept.	$11.50	Nov. (Aver.)	$12.35
Bond sales, September	$24.80	Sept. (Aver.)	$27.25
Life Insurance Sales, September	$55,483,924	$165,145,772	
	34,878,000	33,543,000+	4%

Agricultural Survey

Harvesting Again Delayed
Marketings Slightly Off
Cheese Trade Disappointing
Fall Work in Progress

FURTHER rain and snow has hindered threshing in the west, as well as general farming operations in the east, and agricultural work is from a week to two weeks behind. However, the situation in the west is not as gloomy as generally pictured. Conditions in Manitoba are the worst, very little threshing having been done in that province in the past ten days. At present 80 to 85 per cent. of wheat and 80 per cent. of coarse grains in Manitoba have been threshed; in Saskatchewan 90 per cent. of wheat and 85 to 90 per cent. of other grains, and in Alberta 90 per cent. of wheat and about the same percentage of coarse grains. One week of good weather should be sufficient to enable completion of threshing throughout the west.

Marketings Are Smaller

In the event of threshing being completed by the middle of this month, it is likely that most of the grain which remains to be threshed will be in a much better shape than earlier in the season, as the farmers have allowed crops to dry. Owing to the delay, marketings have been somewhat erratic and consequently the volume of grain moved to date is not up to that of the same period a year ago. Receipts at the head of the lakes on October 22nd totalled 85,931,512 bushels, a decline from last year's figures of about 23,000,000 bushels. Indications of more rapid marketing are, however, seen in the weekly receipt figures which have lately shown improvement.

The market for wheat and other grains showed softness during the week. On the 1st of this month cash wheat eased off 3 cents from the high of the previous week. October and May options also showed weakness. This is accounted for by the lack of export demand and the increase in the visible supply. Other grains followed the trend of wheat. Trading was largely local in character.

Exports of dairy products during the week were disappointing which was attributed to the fact that English importers did not respond to the advance in prices, established, especially for cheese. As a result, the movement was smaller than usual. Another drawback to the further improvement in cheese is seen in the despatches from the other side to the effect that stocks in the three principal English ports on the first of the month were over 60,000 pounds in excess of the holdings at the beginning of October.

There appears to be no change in the market for livestock. The English market continues depressed and no immediate relief is expected from that source. The domestic market is fairly active, but owing to heavier supplies coming forward, prices showed a tendency to weaken.

Fall Ploughing Under Way

At the present time, the majority of farmers are anxious to go ahead with their fall ploughing and other pre-winter work. Unfavorable weather has been a retarding influence, not only in the west but also in the east. The latest reports from the prairies indicate that fall ploughing varies considerably in percentage accomplished in individual districts. In Manitoba approximately 30 per cent. of ploughing is done, Saskatchewan 25 to 30 per cent., and in Alberta 25 per cent. A higher percentage of this work has been done in the east, of course, owing to threshing having been completed some little time ago.

CONSTRUCTION JOBS LIKELY TO BREAK PREVIOUS RECORD

Heavy Programme of Building as Winter Months Draw Nigh

The year 1926 seems to be a record-breaker in many respects, in the Canadian construction field. Last May the highest figure in Canadian construction history was reached, when the month's figure for contracts awarded, shot to over $57,000,000, a 67 per cent. increase over 1925. In the month of October, construction awards rose to $43,384,600, which is not only a 40 per cent. increase over October, 1925, but also constitutes a record for all previous October awards. It is particularly promising in view of the fact that it augurs an active autumn season, after two months of rather mediocre building progress.

One $12,000,000 Contract Let

The majority of the awards during the month were for business buildings, although industrial work, due to a $12,000,000 contract for the Kapuskasing Pulp and Paper development at Smokey Falls, ran a close second. Residential work shows a slight falling off for the month.

The table given below is a statistical picture, not only of the actual development but also of the trend in construction during the last two years. It was prepared by The Financial Post from data of MacLean Building Reports. Residential building, which, during the first nine months of 1925, was 35 per cent. of the total, shrunk in 1926 to 29 per cent. and in October to 24 per cent. of the total. This must not be interpreted to mean that the actual amount of residential building has shrunk but rather that this type of construction is not sharing proportionately in the increased activity that has taken place in construction during the last year or so. By glancing at the amount of residential construction in October we see that the actual amount has increased by nearly $2,000,000 and that for the 10-month period the increase is about $11,000,000.

Many Business Buildings Rise

The most important advance has been the increase in the construction of buildings for business purposes. The percentage for the year has risen from 25 per cent. in 1925, to 31 per cent. in 1926, and there is an actual increase of $40,000,000. During October, three times as many contracts for business buildings were awarded in 1925. Another marked increase for the year was made in the industrial field, which has more than doubled during the first ten months of 1926. The amount of public work and utilities has remained fairly constant, with the result that it is not receiving as large a share of the total as in 1925.

Price Levels Downward

In spite of a slight falling off during August and September the year 1926 is still 36 per cent. ahead of 1925 and 17 per cent. ahead of 1923, the total for the year now standing at $324,500,000. One of the factors that has undoubtedly had a good effect on the situation is the price trend of building materials. During 1925 prices were very steady and were lower than for any year since the war. The index number, whose base in 1913 was 100, stood at 153 as compared with 159 the year before and the monthly average was never more than 155 or less than 152. During 1926, however, there has been a definite downward trend and the index which in January was 153, stands for the month of September at 147.

Classification of Building Contracts

Month of October	Percentage		Amount	
	1926 p.c.	1925 p.c.	1926 millions	1925 dollars
Residential	24	30	10.4	8.8
Business	35	18	15.2	5.3
Industrial	30	25	13.1	7.5
Public Wk. & Util.	11	27	4.6	8.0
Total			43.3	29.6
10-month average—				
	1926 p.c.	1925 p.c.	1926 millions	1925 dollars
Residential	29	35	93.3	81.8
Business	31	25	102.2	61.5
Industrial	19	11	62.0	26.1
Public Wk. & Util.	21	29	66.7	68.9
Total			324.2	238.3

AUTOMOBILE OUTPUT AGAIN MUCH HIGHER

Closed Cars Responsible For Most of Factories Increased Output

In spite of a lower output in the United States, the September production of automobiles in Canada, showed an encouraging increase over last month and a 32 per cent. increase over the same month last year. Following out the present trend in automobile fashions the closed car is responsible for the most of the increased output, while the demand for open passenger cars continues to remain about the same as it was last year. In comparison to last month the production of trucks has increased noticeably and use of these is apparently developing with great rapidity. If the total production for the first eight months of 1926, is any index, the Canadian motoring public is apparently demanding open roadsters and closed cars holding from four to five passengers. During the year the output of roadsters has more than doubled and the demand for closed cars of the sedan and coach type has increased 83 per cent.

Prices Average Lower

With regard to the average selling price of the 1926 car, a comparison of figures shows that the average car is $55 cheaper than in 1926. Last year the average passenger car sold for $720 and this year the average dropped to $665. Whether this is due to a demand for cheaper makes of cars or whether the lowering of the tariff has been largely responsible for the reduction, it is impossible to say, at any rate the reduction is there and in view of the increased use of the more expensive closed car, it seems probable that the saving is going into the motorist's pocket.

Canadian Automobile Production

Month of September

	1926	1925
Open passenger cars	4,874	4,886
Closed passenger cars	7,276	3,988
Trucks	3,250	2,254
Chassis	1,535	1,664

Cumulative Production (9 months)

	1926	1925
Open passenger cars	60,337	55,779
Closed passenger cars	72,872	41,897
Trucks	23,340	16,939
Chassis	15,620	12,747

Saskatchewan Threshing Not Yet all Completed

(Special to The Financial Post).

REGINA.—Threshing in the western half of the province is nearing completion, with only small patches remaining in the stook, according to telegraphic reports received by the statistics branch of the Department of Agriculture. A larger amount of grain remains unthreshed in the eastern half of the province. Fairly good progress has been made in the south east but there are a few places in the east central where from 20 to 35 per cent. of the grain is still in the field. Fair progress has been made with fall ploughing in the north, but very little ploughing has been done in the south. Live stock are in fair condition except in those districts where threshing has not been completed and cattle have not the run on the stubble fields.

Large Cold Storage Plant For Apples in Vancouver

Work is to be started right away with the extension to the Vancouver Ice and Cold Storage premises.

The extension to the existing cold storage accommodation of this company will provide for approximately 320,000 cubic feet. The new space will be devoted principally to the storage of apples and similar fruits. It will accommodate 160,000 boxes, or 230 cars of apples. This will put Vancouver about the same position in regard to the facilities for fruit storage as at present exists in Portland and take care of all overseas apple shipments from the Okanagan.

The Dominion Power and Transmission Company proposes putting on a customer-ownership campaign in November for the sale to its customers of 5,000 shares of the 7 per cent. cumulative preferred stock of the company. This is the first customer-ownership campaign the company will have put on, but it is anticipated that it will be very successful.

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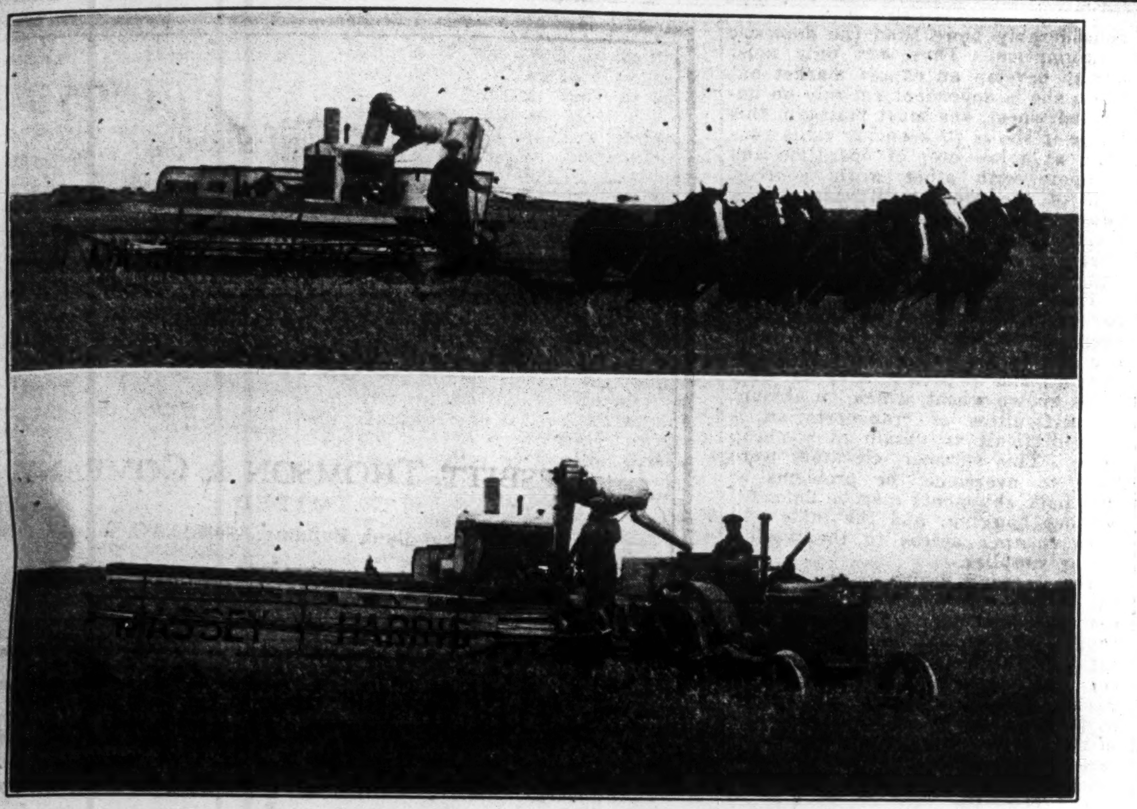

New Reaper-Thresher Combine in Operation in Western Canada.

Western Wheat Farming Undergoes Revolution as "Combine" Proves Self

By C. F. STEELE, Lethbridge, Southern Alberta Correspondent, The Financial Post.

Shareholders in Massey-Harris' stocks will find this story of the operation of the radically advanced reaperthresher of significance. It is of particular interest when read in connection with an address of Thomas Bradshaw, vice-president and general manager of the Massey-Harris Co., which is given on another page of this issue.

Harvesting in Southern Alberta is undergoing a radical change. The reaper-thresher or "combine," as it is called, is revolutionizing grain cutting and threshing in this region of vast hard wheat fields, and along with the motorizing of grain hauling, constitutes the most important step in farming in a decade. Speaking for the moment of the motor truck in moving threshed grain from the field to the elevator, a system much in vogue in the wheat-growing areas of Washington state. Southern Alberta growers living at a distance from the railroad are quite extensively abandoning horse-drawn grain tanks and using motor trucks.

As for the reaper-thresher, it is here, and apparently here to stay for in the past two falls, threshing seasons that have subjected the machines to the severest of tests, they have made good. All interests in the grain country, producers, implement men, bankers, and others, are keenly following the operations of these "combines" which not only cut but also thresh and partially clean the wheat running through a spout to a grain tank which accompanies it on its rounds.

Massey-Harris Machine Popular

There are no fewer than 50 combines in use in Southern Alberta and not one, as far as can be learned, has failed. The Case, Holt and Massey-Harris combines are the makes chiefly in use, the last named being made in Canada. This very useful and compact type of reaper-thresher has made such an impression in the middle west states that 1,200 of them have been exported from Canada to the United States to supply the demand for the Canadian machine. This successful invasion of the highly competitive American field is no surprise to Alberta owners of Massey-Harris combines, for they are thought of very highly here.

The reaper-thresher is drawn either by horses or tractors. Gas tractors are proving successful and are usually used. Two men operate the outfit, one running the engine and the other the separator. The machines are so constructed as to conform to the lay of the land so that they are successful on undulating land as well as on level fields. They do a very clean, complete job when working properly, getting practically all the grain. The grain is cut just below the heads so that little straw actually goes through the separator. The threaded wheat comes out well cleaned, and experience with the machine this very wet season has proved that crops carrying a substantial percentage of green grain cut with a combine "colors up" in the bin the ripe kernels absorbing the excess moisture in the green kernels. This discovery affirmatively answers the query: Will the combine be useful in unevenly ripened fields? True, it would be much better to allow the field to ripen thoroughly, but if conditions demand an early threshing of the crop, such as threatening weather, the combine will do a very satisfactory job.

Solves Vexatious Labor Problems

The wonderful feature of this new agricultural development is that it solves the vexatious labor problem. The ordinary farm crew can meet all its requirements for as mentioned two men can operate the rig excepting, of course, the hauling from the combine to the elevator. Then again, it is a time-saver, for once the harvest begins, it is cleaned up in one operation, no binding, stooking, hauling, separating, etc., that is all eliminated in one sweeping operation. Overhead costs are radically cut, combine farmers figuring that it saves them all the way from 10 cents to 14 cents a bushel as compared with the old method. The early completion of threshing enables the farmer to do more fall plowing, which in itself is a decided advantage. A combine will cut and thresh between 40 and 50 acres a day.

"This is a combine country. I am convinced of it after using a header and a combine on my place for the past ten years. For that length of time a binder has not been on my place. I formerly used a header, now I use the combine, for I find it ideal for this country. It will cut damp tangled grain as well as upstanding grain, which is one point that has put a question mark on the combine. For two years I have proved it will not clog in a damp, storm-whipped field," said a large wheat producer of the Barons, Alta. district to The Financial Post.

Noble Changes to Combines

C. S. Noble, Nobleford, at one time Canada's greatest wheat farmer, and who still operates six sections, has changed from binders to combines. He made the change after visiting the famous Campbell farm in Montana, which annually produces half a million bushels of grain. Campbell uses II combines on his place.

Earl Cook, M.L.A., Pincher Creek; M. J. Connor, M.L.A., Warner and other prominent farmers are using the combine. As a matter of fact, the machine is rapidly making its way in Alberta and threatens to replace the binder particularly on the large farm. In Saskatchewan, too, the combine is making headway and scores are in use.

CORN BORER CUTS ONTARIO FARMERS' PROFITS HEAVILY

Likened to "Boll Weevil" as Destructive Pest, Hitting Growers

The need of drastic measures to check the corn borer is outlined in the November issue of Commerce Monthly, published by the National Bank of Commerce in New York. The article places the corn borer in a class with the boll weevil from the standpoint of potential destructiveness. The bulletin discusses extensively Canada's disastrous experience with the corn borer. It says:

"Relatively little commercial damage has yet been done by the corn borer within the United States, but the fields of Ontario are an appalling example of the damage wrought under heavy infestation. The worst field found in Ohio in 1925, for example, had only 63 per cent. of the stalks carrying any borers, and few of these had more than three. Where infestation was heaviest in Ontario every stalk was infested and the average number of borers was 20 to 40 per stalk. The damage there was described as follows by the provincial entomologist: 'In an area in Essex and Kent counties about twenty miles long by twenty miles wide, every field of early corn this year (and most of the corn was early) has been almost totally ruined. Many of the fields have an average of over twenty borers to the plant. In these fields practically every tassel has been broken off; every leaf has been killed and either fallen or hangs closely to the stalk. The ears have been broken down, about one-third of them have rotted, the stalks are punctured by borer holes and are tunneled on the inside in all directions. The result is that almost every plant died long before it was mature and many of them have broken over, thus forming a tangled, filthy mass.'

Damage is Getting Worse

"This picture is a terrible one to the farmer whose now sturdy, upstanding corn may in a few years be reduced to the same wretched state. Damage in Canada this year has been at least as heavy as last and observers from Canada state that present conditions in the infested areas of Ohio and Michigan are similar to those in Ontario only two years ago.

"The first response of Canadian farmers to the onslaughts of the borer has been a reduction of corn acreage. In Essex County, for example, the borer was discovered in 1922. Infestation was still light in 1923, and approximately 100,000 acres were planted to corn in that year. With increasing borer damage, corn acreage had by 1926 been reduced to 40,000 with the prospect of only 20,000 acres in 1927. Around Chatham, in the neighboring county of Kent last year about half the tillable land was planted to corn, a proportion similar to that in Iowa. This year the acreage was reduced 90 per cent., and the small quantity of corn planted has been practically all ruined by the borer. Some control over the degree of infestation and the consequent damage can undoubtedly be exerted, and corn will continue to be raised as it is in Europe. But to grow corn in the presence of the borer will require revolutionary changes in methods of harvesting and handling. The yield per acre will probably be lower and the cost higher not only for the corn itself but for the live stock to which it is so largely fed.

Believes Farmers Will Win

After discussing the technical side of the fight against the corn borer, the bulletin says:

"All in all, there is ground for encouragement in the fight against the corn borer. The joint efforts of trained experts are rapidly developing a technique of attack. But alertness on the part of farmers and of business men interested in the welfare of agriculture to learn these methods and put them into practice is essential. The farmer is on the firing line, and without his help no one else can save the situation. Slipshod methods, uneconomic practices must go; new adjustments, financial and otherwise, must be made. But in the end, corn will remain king."

Three Oil Companies Drilling

There are now three oil companies drilling in the Edmonton area—the Imperial, the RiRbstone, and the Advance Oil Company. The Imperial well is down to the 1,500-foot level, the depth at which oil was struck in the Wainwright field. An encouraging sign, the other day, was the striking of a pocket of gas.

BRITISH COLUMBIA HAS TOBACCO FUTURE

Formation of Tobacco Company Stimulates Growing In Coast Areas

Formation of a $2,000,000 company, headed by Otto R. Brener, president of the Van Dyke Cigar Company, of this city, for the cultivation and marketing of British Columbia tobacco, gives promise of the development of a most important agricultural industry in the province, and already arrangements are under way to plant extensive acreage with suitable varieties in the Okanagan and Keremeos, Cawston and Cloverdale areas.

For some years tobacco of excellent quality has been raised at Kelowna, and the entire 1926 crop of that district has been secured and will be manufactured into cigars in Vancouver.

Preparations are being made to extend the Kelowna acreage, and already the business has reached such proportions that the Kelowna Tobacco Growers' Association has been formed.

Extensive experiments carried on in different parts of the Okanagan, Similkameen and Fraser Valley districts over a number of years have demonstrated, it is claimed, that British Columbia can produce tobacco that will equal the choicest varieties of Connecticut and Wisconsin, from which states cigar tobacco finds high flavor. It has also been discovered that this province can produce high grades of pipe and cigarette tobaccos, and it is the intention to endeavor to develop an export trade to Great Britain, taking advantage of the preference given by the British Government of two shillings a pound on tobacco produced within the Empire.

Telegraph Bill Over $11.500,000

Canada's telegraph bill was $11,520,323 in 1925, according to the Dominion Bureau of Statistics. A total of 11,436,884 telegrams were transmitted during the year, or more than one for every man, woman and child in the Dominion. Messages received from the United States numbered 2,747,324. Cablegrams despatched to England and continental Europe totaled 924,036, while those received in return amounted to 5,179,939.

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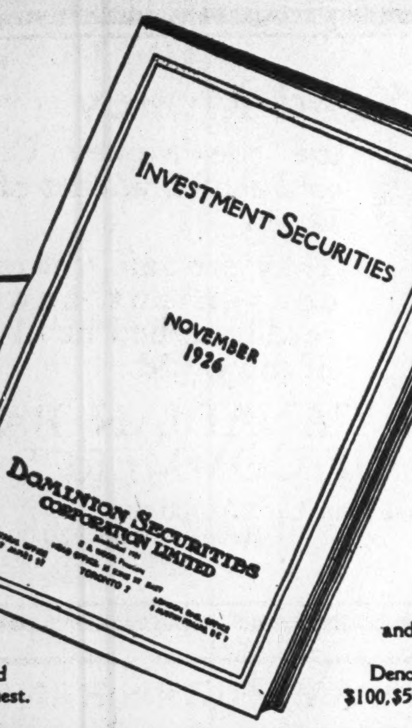

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Securities Markets

STOCK MARKET LEVELS HELD UP BY TRADE OUTLOOK

Feeling Expressed Future of Business Justifies To-day's Prices

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Nov. 3	91.8	89.6
Week of Oct. 27	91.0	88.5
Month of Oct., 1925	81.1	73.5
9 Bank Stocks		
Week of Nov. 3	$224	$222
Week of October 27	224	223
Month of Oct., 1925	221	215
10 Public Utilities		
Week of Nov. 3	98	96
Week of Oct. 27	98	95
Month of October, 1926	93	89

In most discussions of the position of Canadian security markets, there stands out the dominant viewpoint that the sound fundamental condition of the country gives stability to present security levels. Prices of securities are recognized as high and the prevalence of many small yields is evidence that the advance has gone beyond the levels justified by current dividend levels. Yet the feeling is strong that the prices only discount a business and industrial prosperity that is assured.

The viewpoint is clearly expressed by one Montreal stock exchange firm, Craig, Luther and Irvine, who state in their November letter:

"The Canadian stock market during the past month received a fairly severe test as a result of the sharp assults on New York and the extreme fluctuations displayed by the latter. Had it not been, however, for a sudden weakness that developed in one security, that of Brazilian Traction, the showing of the Canadian exchanges in comparison would have been even more encouraging. As it was, the steady upswing of Brazilian Traction stock from a price level of 50 in the spring of 1925 to a high of 123 this fall, a gain of 73 points, without any considerable reaction, made the technical position vulnerable towards any unexpected and unfavorable news. This was provided in a somewhat vague threat cabled from Rio de Janeiro: that the president-elect, who assumes office on November 15, Senor Washington Luis, had determined to end the programme of currency deflation carried on by the present government. This automactically would force the milreis down, but, it was argued, would remedy a serious crisis in commercial affairs that had resulted from the extreme advance in the milreis during the past twelve months or so. Later reports tended to modify the first rather startling impression, and to outline the new president as too able and experienced administrator to adopt any drastic corrective policy. Meanwhile, however, the milreis level had been considerably disturbed, and holders of Brazilian Traction stock, most of them with handsome paper profits, started to unload. For a week or so uneasiness over the situation continued to develop and the stock slumped to just below par. Resistance on the way down was lessened by the temporary drying up of London buying. A gradual restoration of confidence in the essentially sound investment character of the stock, and a demonstration of good earning power for September, soon swung sentiment around, and late in the month the stock entered on one of the most stabilized periods of its highly active career of the past eighteen months.

"The Canadian market in general, as has been noted, held much better than New York in the October 'break.' The broad trading in several stocks that had substantial declines gave an impression of a sharp downward movement on a fairly broad scale. As a matter of fact, the average drop in a selected list of industrials was only six points, compared with a break of 14 points in March last. It is interesting to note that the present average is well above the high touched prior to the March break. At that time the Canadian market was balanced some 48 points above a par taken as of January 1, 1924. Following the March decline a rally of some 24 points ensued, and only one-quarter of this on the average had been wiped out in the October decline. New York on the other hand, in its September-October break showed an average drop of well over 20 points. At the time of writing, both show stronger tendencies: New York, buoyed up by the exceptionally good statements of United States Steel Corporation and General Motors, in the face of a somewhat hesitating appearance in general business, where general doubt seems to exist as to the ability of various industries to exceed or even to maintain the peaks of production created earlier this year.

Brighter Prospects for Canada

"The fundamental position of Canada, however, continues strong, and the prospects for the next few years steadily become brighter. So far as Ottawa is concerned the elections swept away the stalemate that had existed politically, and the country at least can look forward to single government control of policies. Railway earnings are running far ahead of last year in spite of a temporary slowing down in harvesting operations. The crops, however, are working out more favorably than was expected a few weeks ago, and the increasing buying power of the West is making itself felt far and wide in the industrial East. Huge construction enterprises, such as the Aluminum Company of Canada and Gatineau Power Company, and various pulp and paper enterprises, with developments in mining and indeed in all Canada's natural resources, are working out towards the greater prosperity of this country. To give only a few instances: the rubber industry is experiencing the best year in its history; the textile industry is operating well up to capacity; the salmon packers report a most successful year, and the pulp and paper industry, month by month, is creating new high records. The index of employment supplied by the Dominion Bureau of Statistics, passed par in May of this year for the first time since 1920 and rose to 101 in June, to 104 in August and September, and to a new high at 105 in October. Car-loadings are making new weekly records, and it is gratifying to note substantial increases in loadings of merchandise and miscellaneous goods as indicating increased business for manufacturing industries.

"In the presence of such conditions, and with an indication of better business to follow and of larger earnings for many industrial corporations, the present level of prices on the Canadian stock exchanges does not look unduly high. While there will be fluctuations from time to time, it is becoming more and more evident that the influence of New York is growing less powerful. A certain sympathy will and must always exist between the movements on the exchanges of the two countries, through intimate industrial associations and world conditions that apply to both alike, but Canada is likely to maintain a growing independent course in its stock market transactions. These will be determined far more by actual or prospective conditions existing in this country than by accidental movements on United States exchanges, which have no real bearing on the Canadian situation. This is only as it should be—but it is a condition that should breed greater confidence in Canadian securities markets."

Gains Larger Than Losses

Gains outnumbered losses in Canadian stock exchanges this week, while a large number of securities were fairly lethargic and showed no change during the week.

Bank stocks showed no significant movements. In the paper stocks Wayagamack continued its sensational rise following announcement of the stock split. It has almost doubled this year in price and at 108 is selling at a high figure for a stock yet to receive a dividend.

Steel stocks showed minor gains in some cases. Milling stocks were strong and moved up. Utility securities were characterized by a sensational advance in Quebec Power following announcement of conversion of preferred into common. Tractions had no important changes.

Textile stocks were the centre of attraction as the sound position of the industry came in for recognition.

	Gains	Losses	Unch.	Ttl.
Banks	4	2	3	9
Paper	7	5	2	14
Steel	12	5	16	33
Foodstuffs	14	10	18	42
Utilities	12	5	10	27
Tractions	4	5	6	15
Textiles	5	1	8	14
Industrials	13	11	25	49
Totals	71	44	88	203

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Milling

CANADIAN FLOUR MILLS STRIVE FOR ORIENT FOOTHOLD

Future Promises Well But Japs Aim at Being Great Millers

In view of the recent increase in China's consumption of wheat and flour, Canadian millers and exporters are doing their best to peer through the heavy cloud of mystery which hangs about the Oriental situation. There are many who believe that China is on the verge of a great commercial development and that one of the more obvious omens of this commercial awakening is the fact that mill owners in the treaty ports are already erecting elevators to cope with the increased consumption. According to Allan Cameron, since 1922 Oriental manager for the C.P.R., "those who begin to foster trade with China nowadays, will reap a benefit in years to come, since the Chinaman never forgets a man or a firm that has treated him well, and whom he has learned to respect."

Much Risk in Trading

Unfortunately, the element of risk and speculation is a rather depressing factor in the situation and causes a somewhat bearish attitude to the Oriental importation of foodstuffs. Both China and Japan have shown a surprising capacity to utilize wheat and flour in the last few years, but wide fluctuations have occurred in purchases from year to year. In the first place there are the ordinary vicissitudes of domestic production, both with regard to rice and wheat, coupled with an absence of satisfactory data from China. Then the development of milling, both in China and Japan, has tended to shift demand from flour to wheat, thus adding to the problems of export millers here, and in other wheat producing countries. Home-grown wheat has long been relied on in the Orient, but it is far from being the mainstay of the population, and the fact that it is still practically a luxury makes price an all-important factor in determining the volume of imports. Thus, not only is the wheat market practically sensible to competition from rice, but the general state of prosperity and employment plays an almost disproportionate part in the demand for wheat products. An analysis of the imports of wheat and flour into the Orient from Australia, Canada and the U.S.A. together, shows that in the last four years China's imports have varied anywhere from 4 to 45 million bushels. The figures are as follows:

Exports of wheat and flour, reduced to wheat equivalents from principal exporting countries to China and Japan, by harvest years:

	Canada bu.	Australia Can. & U.S. bu.
(1) To China—		
1922-23	2,912,000	14,407,000
1923-24	12,205,000	44,991,000
1924-25	1,342,000	4,373,000
1925-26*	12,797,000	16,738,000
(2) To Japan—		
1922-23	3,815,000	14,538,000
1923-24	7,518,000	31,765,000
1924-25	3,018,000	14,355,000
1925-26*	12,713,000	27,687,000

* nine months only.

Imports Fluctuate Widely

The two most important conclusions that can be drawn from this table are, first, the wide fluctuations in importation, especially to China, and secondly, the heavy shipments during the current nine months. The importations of 1923-24 are explained by a heavy falling off in the rice crop, (in Japan, about 6% below the 5-year average, and in China, about 20%), and exceptionally low wheat prices due to a large world crop. The season of 1924-25 was an almost direct contrast to its predecessor, with a heavy rice crop in the Orient and a short wheat crop in Canada and Western Europe, which advanced wheat prices materially. This year's increased importations are due in part to a forecast duty on Japanese wheat imports, which took effect last April, but which was discounted by the millers accumulating very heavy stocks in the three months preceding.

Another most important factor is the growth of Japan as a milling centre and as a competitor for the flour trade in the Orient. Stimulated by the war, and having survived many vicissitudes of trade, industry has expanded until at the beginning of 1926, the estimated daily capacity was about 37,900 barrels, which is considerably more than the domestic consumption. Thus, not only must Japan develop an export market but since she is dependent entirely on imported wheat, she must maintain this trade if she is to keep her mills running at a low cost of operation and compete with other world sources. One of the present difficulties is a heavy load of capitalization due to wartime installations, however, this is partially offset by the very modern equipment which is installed.

Thus, with Japan seeking an outlet for her mills, China has become the arena of competition. Chinese mills are still in the early stages of development, and at present they use only home-grown wheat, which, on account of difficulties of transportation is very difficult to obtain at a cheap price. This summer, elevators were built to overcome the problems so that bulk shipments may be unloaded without bagging, and the mills will have cheaper access to the world's wheat supplies.

The growing desire on the part of the Orient for wheat products, will not develop over-night, but even though the process be slow and erratic, the situation is full of interest for the exporter and the miller. Japan's ability to establish herself as the Oriental Miller, and the ability of the Chinese to build up an industry large enough to care for imported wheat, are vital points in the situation. Then the broader question of a commercial awakening in China within the next few years, is full of tremendous possibilities. As Mr. Cameron points out, the country has a population of 440 millions, whose purchasing power is steadily growing with the increase in the earning power of its laboring classes, who constitute four-fifths of its population.

GOSSE SEES BRIGHT FUTURE FOR CANNING

Head of Gosse Packing Company Optimistic on Outlook For Pac. Coast Canneries

Robert C. Gosse, president and managing director of Gosse Packing Co. of Vancouver, was in Toronto this week and spoke with optimism of the outlook for the fishing and canning companies on the Pacific coast.

"The year 1926 will rank as one of the best years in the history of the British Columbia salmon-packing industry," said Mr. Gosse. "There has been a good pack. The demand from both export and domestic markets has been gratifying, and prices have been satisfactory.

"The salmon-packing season is now practically at an end. Up to the present time, the Gosse Packing Co. has packed over 400,000 cases of salmon, as against a total of 308,000 cases during the entire season of 1925. In spite of the fact that the total pack of sockeye on the British Columbia coast is smaller than that of last year, the Gosse Packing Company's pack of sockeye this year is practically the same as its sockeye pack of last year, which exceeded 50,000 cases.

"The Gosse Packing Co. is the largest producer of fish-oil and fish-meal in British Columbia. This branch of the business has also been very satisfactory this season. There is always a ready market for these products."

Mr. Gosse was questioned concerning the outlook for the British Columbia fish-packing industry generally in future years.

"The outlook is decidedly favorable," he replied. "The market for canned salmon has completely recovered from the conditions which resulted from the war. The demand for British Columbia salmon products throughout the world is steadily expanding. The countries of South America have developed a liking for British Columbia salmon, and a steadily increasing demand from that quarter is one of the outstanding features of the present market.

"The salmon-packing industry has an assured supply of raw material and an assured market for its finished product. Hence the industry resolves itself largely into a problem of operation—of economical and efficient methods of catching and canning the fish over a great and widely diversified length of coast-line."

"Canners" Has Average Pack in Present Year

While the season's pack of Canadian Canners was disappointing from certain aspects, from others it was distinctly favorable. Early fruits and vegetable pack was satisfactory. The output of peas was especially heavy, more than making up for the deficiencies of the previous year. The pack of tomatoes was light, owing to the slow ripening of the early autumn. Corn, on the other hand, was well up to standard, specialty lines were maintained at normal levels. The pack on the whole may be regarded as average, with carry-over from the previous year making up deficiencies in this season's pack in certain departments.

Supplies are ample for all anticipated trade requirements and no material change in the price of canned commodities is anticipated. The preferred stock is paying dividends at the rate of four per cent. per annum. This rate was inaugurated at the commencement of the current year. The return to the investor at present market levels of 66 is 6.10 per cent.

Arrears now total more than 20 per cent. and this is a feature which imparts added attractiveness to the stock. The policy of the company will be to gradually adjust the dividend toward the seven per cent. objective and reduce arrears as conditions warrant, but no hint has been given as to when an upward revision from the present four per cent. may be expected.

The stock market at least is sanguine regarding the prospects. The crop season in Ontario is practically over. A few shipments of peaches are still being made, but this is the clean-up of the crop. Some alarm has been occasioned by the invasion of the peach moth, but it is believed that means will be found to eradicate this pest without serious inconvenience to the fruit growers.

Ford Bumpers Being Made By Ontario Steel Products

The manufacture of its new line of bumpers by Ontario Steel Products will be limited to Ford cars. This work is being carried on at the Chatham plant. The line is not by any means a new one for Canada, as several factories are in operation, including one in Gananoque, the head office of Ontario Steel Products. It is believed that the new operation will prove profitable although the gross revenue will not constitute any high percentage of the total gross.

Western Financial Affairs

We invite correspondence regarding investment in British Columbia, particularly those relating to property for business or residential purposes, mortgages, management of properties, insurance and securities.

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Public Utilities

QUEBEC POWER'S CHANGES PRESAGE MORE FINANCING

Company, Simplifying Financial Structure, Makes Investors Big Profits

Announcement of considerable interest has just been made by Quebec Power Company. Following a meeting of the board of directors it was stated that two by-laws had been approved which will have a most important bearing on the capital structure of the company, and that these by-laws would be submitted to shareholders for their approval at a special general meeting to be held on November 16th.

One of the by-laws provides for the redemption of the whole of the outstanding preferred stock of the company at $110 per share, but with the alternative proposal that the shareholder may have the option of exchanging their holdings for common stock of the company on a share for share basis. As the common stock last month touched a high of 175, and was selling at around 165 to 170 this week, the effect of such an announcement, as was to be expected, was to make the preferred stock jump in price to a level approximately that of the common.

The preferred had been selling at between 111 and 117, but on November 1st it rose 7 points to a new high at 124, and on the announcement of the proposed redemption, which was made around noon on November 2nd, the preferred stock rose forty points at one stroke and sold at 164. This was one of the sharpest single advances recorded on the Montreal Stock Exchange.

$3,500,000 Outstanding

The outstanding preferred stock of the company amounts to $3,542,370, divided into shares of the par value of $100 each. These figures are based on the latest available information, namely, the balance sheet as at December 31, 1925. It is probable that some change may have occurred in this amount since that date but the change, if any, is probably not large.

In addition to the preferred stock, the company has outstanding practically $4,000,000 of common, so that the issued capital combined makes a total of slightly over $7,500,000. This leaves nearly $2,500,000 of unissued capital in the treasury as the authorized amount is $10,000,000, consisting of $6,000,000 common and $4,000,000 preferred.

This brings us to the second by-law, which will be placed before shareholders for their approval on November 16th. It provides for an increase in the authorized capital of the company from $10,000,000 to $15,000,000, the increase to be in the form of 50,000 shares of stock with a par value of $100 each.

While it is too early to estimate the significance of these changes in the capital structure, they probably presage some issue of stock for the purpose of extensions or improvements, or, possibly, the acquisition of further properties. If such a stock issue is made it will probably be offered to shareholders on a pro-rata basis and will thus entail valuable rights. What these rights will be worth can at this stage be only a matter of conjecture as so many factors enter into the situation which are at the present time impossible of determination.

Quebec Power, it will be recalled, acquired control of the Quebec Railway, Light, Heat & Power Company, Limited, in 1923, by offering the common stockholders of Quebec Railway the privilege of exchanging their holdings in the ratio of four of their shares for one share of Quebec Power. A majority of the shares were exchanged on this basis.

Dividends on Quebec Power common are being paid at the rate of six per cent. per annum. The company is controlled by Shawinigan Water & Power Company through ownership of a majority of preferred and common stock.

Public Utility Earnings

Northern Mexico Power & Development

September—	1925	1926	Inc.	p.c.
Gross	$ 92,548	$110,052	$ 17,503	18.91
Net	74,431	89,681	15,249	20.48
For nine months—				
Gross	$747,949	$946,546	$198,597	26.55
Net	576,578	760,165	183,587	31.84

Barcelona Traction

Sept., 1926	1926 Pesetas	1925 Pesetas	Change
Gross earn.	6,901,636	6,965,437—	63,801
Oper. exp.	2,581,291	2,528,004+	53,287
Net earnings	4,320,345	4,437,433—	117,088
Aggre. gross from Jan. 1	66,593,945	63,660,470+	2,933,475
Aggre. net from Jan. 1	43,107,653	41,817,868+	1,289,785

Duluth Superior Traction

Third quarter—	1926	1925	% inc. or dec.
Gross rev.	$ 421,826	$ 446,696—	5.68
Oper. expenses	357,081	362,334—	1.45
Net revenue	64,745	84,362—	23.25
Fixed charges	71,455	72,283—	1.14
Net income	6,710	12,079—	155.56
Nine months—			
Gross rev.	$1,370,496	$1,409,222—	2.75
Oper. exp.	1,118,661	1,126,079—	.66
Net rev.	251,834	283,143—	11.06
Fixed charges	224,367	219,951+	2.01
Net income	27,467	63,192—	56.53

Winnipeg Electric

The following are the gross and net earnings of the Winnipeg Electric Company for the month of September, and for the 9 months ended September 30th, 1926, as compared with the same period of last year:

September—	1926	1925	Increase
Gross earn.	$ 445,512	$ 409,185	$ 36,326
Oper. Expenses	308,097	295,603	12,493
Net earn.	$ 137,415	$ 113,581	$ 23,833
9 mos. end. Sept. 30—			
Gross earn.	$4,059,751	$3,878,078	$181,673
Oper. expenses	2,870,007	2,839,847	30,159
Net earn.	$1,189,744	$1,038,230	$151,513

Cape Breton Electric

August—	1926	1925	Increase
Gross earn.	$ 50,061	$ 40,081	$ 9,980
Oper. exp. and taxes	39,078	36,095	2,983
Net earn.	$ 10,983	$ 3,986	$ 6,997
Int. charges	5,727	5,736	† 8
Bal. for res., retire., and dividends	$ 5,255	$ 1,750	$ 7,006
12 mos. end. Aug.			
Gross earn.	$598,701	$575,716	$22,985
Oper. exp. and taxes	482,077	500,272	†18,194
Net earn.	$116,624	$ 75,444	$41,179
Int. charges	69,033	68,769	263
Bal. for res., retire., and dividends	$ 47,591	$ 6,674	$40,916

*—Deficit. †—Decrease.

Jamaica Public Service

August —	1926	1925	Increase
Gross earn.	$ 51,810	$ 52,191	$* 380
Oper. exp. and taxes	30,659	33,887	*3,228
Net earn.	$ 21,151	$ 18,303	$ 2,847
Int. charges	6,129	6,322	* 193
Bal. for res., retire., and dividend	$ 15,021	$ 11,980	$ 3,040
12 mos. end. Aug. 31—			
Gross earn.	$642,009	$604,903	$37,106
Oper. exp. and taxes	393,957	393,494	463
Net earn.	$248,051	$211,409	$36,642
Int. charges	75,222	80,516	*5,293
Bal. for res., retire., and dividends	$172,829	$130,893	$41,936

*—Decrease.

SOUTHERN CANADA POWER HAS 20,000 CUSTOMERS NOW

Expects Soon to be Serving One Hundred Communities

Southern Canada Power's staff news bulletin reports that the company has now 20.000 new customers, reaching a new point in the height of activities.

The bulletin says:

Our progress as regards customers during the last ten years has been marked. In 1917 we had just 6,000 customers; in 1919, this had increased to 8.300; in 1920, we went over the 10,000 mark; in 1923, we hit the 15,000 mark, and now, in 1926, we have reached 20.000 customers. Our actual increase for this year amounts to 1,800, not quite so good as last year when we actually added 2.052, but included in last year were 900 customers in Farnham, whereas, in this year's total there has been no large communities added. The work, therefore, has mainly been that of getting on additional customers on our existing lines, which, after all, is our most profitable business.

We set our slogan "20,000 for September 30th." When six months were gone and we had come to the end of March with 1,400 customers to go and only 330 added, we might well have felt the task impossible, but our house wiring campaign had splendid results and at the end of May we were up to 19,000 customers, 1.000 to go and four months to do it. 298 in June, 319 in July, 125 in August, and 285 in September brought us home with 65 to spare.

While we have taken on no new large towns, we have had a very active year in connecting up smaller communities. Almost every month now we have to welcome customers from a new locality. During the present year, we have actually received our first revenue from Frelighsburg, Abbotsford, Farnham, St. Brigide, Sutton, Roxton Pond, Stanbridge East, St. Helene, and we have just recently connected up Warden, Canrobert, and bought the distribution systems at Roxton Falls and West Brome, and finally have closed contracts and franchises with St. Angele, St. Jude, St. Barnabe. St. Hyacinthe has obtained a franchise from the town of St. Dominique: a total of 16 towns practically within the last twelve months.

"We are traveling along the road to having 100 communities taking our service; we have actually got 83 now; perhaps one of our achievements this year will be to bring this up to the century mark."

Old Montreal Tram Power Company to be Wound Up

At a meeting of the Montreal Tramways and Power board, it was decided to take steps before the English courts for the liquidation of the company. It is expected that its assets will be purchased by a new Canadian company, 98 per cent. of the stock of which will be held by United Securities. It is expected that the process of liquidation will take several months. Once this is out of the way, United Securities will be able to proceed with financing for reimbursement on account of monies already spent and for other corporate purposes, probably through the issue of collateral trust bonds.

The Montreal Hydro-Electric board also met and it was decided to call the $200,000 bonds of this company outstanding at 105, this being another step in the unravelling of the Tram Power tangle.

Premier Brownlee has once more urged Alberta's claim to the appointment of a representative of his province on the Vancouver harbor commission, when the re-organization of that body takes place. The Premier has taken the matter up with the Dominion Government.

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain Com.	15½	18
Do., pref.	80	84
Brooks Motor 1 pref. & 1 com.	5½	6½
Do., 1 pref. & 2 com.	7	9
Can. Machinery, com.	4	7
Can. Westinghouse, com.	167	171
Cos Imp. Mills, com.	15	16½
Dom. Power, pref.	99	102
Farmers Dairy, com.	60	..
Dunlop Tire, pref.	83	87
Chase, A. W., com.	5	10
Do., pref.	81	90
Fanny Farmer, com.	25	..
Federal Alcohol & Dist.	7	8½
Goodyear Tire, com.	70	..
Do., 6% pref.	90	94
Gunns, Ltd., pref.	28	30
King Edward Hotel, Deb. A.	79	81
King Edward Hotel, Deb. B.	60	63
Loew's Buffalo, pref.	55	60
Loew's London, com.	3¾	4¼
Mount Royal Hotel, com.	5	7
Nat. Grocers, 1st pfd.	92	97
Nat. Grocers, com.	2	5
Williard's pref.	67	71
Canada Life	600	..
Capital Life 25% paid	21	25
Continental Life 20% Paid	41	..
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	63	..
Great West Life	420	450
Monarch Life 10% Paid	28	31¼
Mortgage Discount, pref.	7	7½
Ontario Equitable	23	26
Re-Insurance	23	26
Security Life 40% Paid	28	31

Stock Market Record

WEEK ENDING NOVEMBER 2

	Div. Rate	Yield Nov. 1	High for wk.	Low for wk.	Close Nov. 26	Close Oct. 26	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.85	223	221	222½	222	57	226	214
Dominion	12+1	6.21	209	209	209	209	42	219	207
Can. Nationale	10	6.28	..	...	...	...	...	170	157
Imperial	12+1	6.43	202½	200	202½	200	116	215½	200
Montreal	12+2	5.28	271	265	267	270	262	275	251½
Nova Scotia	16	5.50	291	290	290½	289	57	300	281
Royal	12+2	5.57	25½	249½	250½	254	97	255⅛	248
Standard	12	6.28	191	190	190	190	93	200	189½
Toronto	12	5.45	221	220	221	220	38	222	213
Paper—									
Abitibi, com. (no par)	4	4.34	92¾	91	91½	91¾	1754	98	70¼
Do. pref.	7	6.19	113	112½	113	113	320	116	106¾
Belgo-Can. pref.	7	6.86	102½	101¾	102⅜	102¼	135	102½	95¾
Brompton (no par)	.	...	36	35⅛	35½	36¼	925	38½	26
Laurentide	6	5.64	108½	105¼	105½	106½	1917	114¾	81½
Price Bros., com.	2	2.82	71¼	70¾	71	70¼	392	76¾	57
Do. pref.	6½	6.43	102¼	101	102¼	101	227	102½	95
Prov. Paper, com.	6+1	6.42	109	109	109	110	5	114⅝	100
Do. pref.	7	6.66	..	...	...	...	...	106½	100
Smith, Howard, com.	.	...	59	57	58½	54	458	59	38
Do. pref.	8	7.88	102	101	102	100⅝	68	105	92¾
Span. River, com.	7	6.73	105	103	103	105	380	111¾	96½
Do. pref.	7	6.08	115¼	115	115¼	114¾	137	120	108
Wayagamack	.	....	109½	105	107⅞	100	3261	109½	56
Steel and Steel Industries—									
B. E. Steel, com.	.	...	½	½	½	½	65	3½	¼
Do. 1st pref.	.	...	15	10½	15	10½	85	30	9
Do. 2nd pref.	.	...	2½	2	2½	1¼	525	10¾	1
Can. Car & Found., com.	.	...	39	39	39	40	15	49	33
Do. pref.	7	8.33	84	82¾	84	83	195	88	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C.G.E. com. (par $50)	.	...	..	...	...	...	...	53	47
Do. pref. (par $50)	7	6.14	57¼	57	57	57	110	60	53½
Can. Locomotive, com.	.	...	40	40	40	40	60	42	30
Do. pref.	7	8.04	88	85½	85½	87¾	89	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42½	39
Can. Forgings, com.	.	...	17	65	65	65	50	65	41½
Can. Forgings, pref.	.	...	65	52½	53	52	160	53	40
Dominion Coal	.	...	53	...	...	...	...	24¾	5
Dominion Iron, pref.	.	...	..	107	107	110	346	112¼	80
Dominion Bridge	4	3.71	109½	102	102	101½	30	103½	100¼
Dom. Radiator, pref.	7	6.86	102	17½	18	16½	125	25	10⅝
Dom. Steel Corp., pref.	.	...	18	17	17	15	25	17	8
Ford Motor	10	...	...	...	...	...	...	622	500
McKin. Ind. c. (no par)	.	...	28½	27½	28½	27⅝	250	31½	15
Do. pref.	7	7.17	97½	96½	97½	96½	211	97½	87
Do. Voting Trust	.	...	29	67	67½	67	910	73	40
Massey-Harris, com.	.	...	68½	102	102¾	102	241	102¾	93
Do. pref.	7	6.81	102¾	...	...	...	...	25	25
N.S. Steel, pref.	.	...	..	74	74	75	25	78½	60
Ontario Steel, com.	4+1	6.75	74	...	...	...	...	103	98
Do. pref.	7	7.00	..	...	...	...	...	50	39
Russell Motor, com.	3	6.00	..	92½	92½	92½	310	93	76
Do. pref.	7	7.56	93	...	...	...	...	13	5
Sawyer-Massey, pref.	.	...	..	108	108½	108½	541	109½	95⅛
Steel of Canada, com.	7	6.39	109½	121½	121½	122	33	123	114
Do. pref.	7	5.76	121½	27	27¾	27¼	766	30¾	26¾
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	22	18	22	18¼	764	26⅝	18
Do. pref.	7	8.11	86¼	86¼	86¼	86¼	5	92	86¼
Atlantic Sugar, com.	.	...	26	24	25	24¼	435	32⅞	21½
Do. pref.	.	...	78¾	78¾	78¾	79½	30	88	75
B. C. Fishing	5	6.71	75	71	75	70½	530	78	57¼
Can. Bread, c.. (no par)	$2.50	2.85	88½	88	88	88½	31	95	53
Do. pref. (A)	7	6.36	110	109½	110	109½	9	112	105
Do. pref. (B)	7	6.66	105	104¾	104¾	105	10	107	96¼
Can. Canners, com.	.	...	12	12	12	12	387	15	12
Do. pref.	4	6.06	66½	65¾	65⅞	67	103	70	60
Canadian Salt	8	6.40	125	125	125	125	28	145	124
Christie Bis. c. (no par)	.	...	..	...	...	...	...	63½	35
Can. Bak., c. (no par)	.	...	34	33	34	33½	210	37⅞	26½
Do. pref.	7	7.21	97	97	97	97	32	97	92
City Dairy, c. (par $25)	12	4.00	75	75	75	77	15	82½	65½
Do. pref.	7	6.32	110¾	110¾	110¾	111	4	112	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	3
Do. pref.	.	...	..	...	...	...	...	28	21
Dom. Stores, c. (no par)	$2.40	4.00	..	...	...	...	...	68	56
Wm. Davies (A) (no par)	.	...	30	28¾	28¾	30	210	37¼	27½
Inter. Milling, pref.	7	6.73	104	104	104	101½	29	105¾	98½
Lake of Woods, com.	12	8.16	155	147	155	150	53	175	139
Do. pref.	7	6.03	116	115¼	116	116	50	118	115
Loblaw, com.	$1.00	2.22	44¼	44¼	44¼	44	10	55	29¾
Do. pref.	7	6.68	104¾	104¾	104¾	104¾	10	104¾	100½
Maple Leaf Mill., com.	.	...	70½	70	70	70	40	88	50⅛
Do. pref.	7	7.21	97⅛	96	97⅛	97	23	102	90
Ogilvie Flour, com.	5+5	2.51	199½	192	199½	190	190	200	165½
Do. pref.	7	5.93	..	...	...	...	...	125	117
Pure G. Mfg. (no par)	50c.	...	19	19	19	19	25	23½	17½
Shred. Wh., c. (no par)	75c.	5.55	54¼	53	54¼	53	200	54¼	47½
St. Law. Flour, com.	.	....	33	33	33	34	10	45	26
Do. pref.	7	...	81½	81½	81½	81½	30	84	80
Viau Biscuits, com.	.	...	27	25	27	25	8	28	18
Do. pref.	7	8.04	86½	86½	86½	87	10	89	85
Western Groc., c. (new)	.	...	33½	29	33½	28¾	1208	33½	24
Do. pref. (new)	7	8.97	79	75	79	75	102	80	62
Do. com. (old)	.	...	5½	4½	4½	5	20	13¼	4
Do. pref. (old)	.	...	..	...	...	...	...	64	49
West. Can. Flour, com.	35c	...	24½	24	24½	24½	20	25	18
Do. pref.	6½	6.50	..	...	...	...	...	100	97⅝
General Utilities—									
Bell Telephone	8	5.79	138½	137½	137½	138½	465	141	136
Consumers Gas	10	5.78	173	172½	173	173	135	183⅞	170
Inter. Util. (A) (no par)	87½c	...	..	...	...	...	...	38½	30
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	28	28	28	33	9	33	25
Jamaica Pub. Ser., pref.	7	7.21	97	97	97	96½	40	99¼	96
Laurentide Power	5	4.16	..	...	...	...	...	130	100
Mackay, com.	7	5.64	124½	123	124	123⅝	1060	138½	121¼
Do. pref.	4	5.67	70½	69½	69½	70	382	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	33	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr.	$2	...	74¾	73½	73¾	73½	12331	75	59
Do. pref.	.	...	50½	50½	50½	50½	790	50½	48½
Mont. Teleg. (par $40)	8	6.66	48	48	48	48	34	51½	47
Ottawa L. H. & Pr., com.	6	6.25	96	96	96	96½	25	100	92
Do. pref.	6½	6.28	103½	103½	103½	103	1	105⅛	100
Quebec Power, com.	6	3.52	170	160	166	165	1590	171	113
Do. pref.	7	5.64	130	120	130	117	346	130	109½
Shawinigan	8	3.08	259	240½	258½	242½	5503	259	167½
Do., Rights	.	...	10¼	9	10¼	9½	4977	10¼	6½
South. Can. Power, com.	2	2.22	90	89¼	89¼	89	65	98	81
Do. pref.	6	5.94	101	101	101	101	20	104½	99
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Transportation—									
Can. Pacific Rly.	10	6.13	164½	162½	164	163	337	169	147
Can. Steamships, com.	.	...	32	29	31¼	29¾	4631	32	11
Do. pref.	.	...	94¼	93	93½	93⅝	3681	94¼	56
Do. voting	.	...	30½	30	30	28½	225	30½	11
Tractions—									
Barcelona (par $50)	.	...	37	36¾	37	36¼	205	40½	26
Brazilian, com.	5	4.67	110	106	107½	108	27314	123½	80
Do. pref.	6	5.76	104	104	104	103¼	25	108	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	1½
Duluth-Superior	.	...	28	27	27	29	23	33¼	25
Illinois Traction, pref.	6	5.97	..	...	...	...	...	100½	96¼
Montreal Trams.	10	5.88	170	169	169	173½	306	190	159
Montreal Tram Rights	.	...	11	...	...	...	...	74½	60
Ottawa Traction	4+1	6.84	..	41½	44	42½	654	47	40
Porto Rico Rlys., com.	.	...	44	89	89	89½	15	91	85½
Do. pref.	7	7.86	89	62½	63	61¾	1518	79½	58
Twin City, com.	5	7.93	64	...	...	...	...	103	102
Do. pref.	7	6.86	..	58½	58¾	58¼	4182	60	45¼
Winnipeg Elec., com.	1	...	60	100¼	101	101	62	103	95
Do. pref.	7	6.93	102	9	11	12	350	12½	9
Textiles—									
Can. Conn. Cotton, pref.	4	...	..	...	...	...	...	49	35
Can. Converters	7	7.36	95	94	95	94½	162	95	90
Can. Cotton, com.	8	7.08	..	...	...	...	...	124	113
Do. pref.	6	6.31	95	92½	95	92¼	111	99½	92½
Can. Woollens, com.	.	...	..	...	...	...	...	8	4
Do. pref.	.	...	50	50	50	50	5	50	45
Dom. Textile, com.	5	5.31	94½	92	94½	92	1432	99⅛	89
Do. pref.	7	5.93	118	118	118	118	5	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	50	30
Montreal Cottons, com.	6	5.19	112	112	112	115½	15	115½	102
Do. pref.	7	6.11	..	...	...	...	...	115½	110
Penmans, com.	8	4.24	188½	180	184	180	516	191	173
Do. pref.	6	5.88	..	...	...	...	...	104½	101½
Wabasso Cotton	4	4.76	84	72	83	72	871	84	60
General Industrials—									
Amer. Sales, c. (par $20)	4	6.15	65	64	65	64	25	70	54
Do. pref.	7	7.29	96	96	96	96½	20	98	92
Asbestos Corp., com.	.	...	25⅝	25	23	23	22140	25⅝	16½
Do. pref.	7	8.64	83	79½	82	79⅝	6516	83	62
Burt, F. N., com.	12	5.55	54	52¾	54	53¼	171	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210⅛	210⅛
Building Products, pref.	7	7.56	92½	92½	92½	92½	26	93	83
Brant C'd, pf. (par $25)	8	8.16	25	24½	25	25	256	27½	24½
Canada Cement, com.	6	5.49	109¼	108	109¼	108	165	111½	98
Do. pref.	7	6.03	117½	116	116	117	202	120	113
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	5.23	24¼	23½	23⅝	24½	2726	25	16¼
Crow's Nest Coal	6	8.95	65½	65½	65½	66½	25	85	51
Dom. Glass, com.	7	8.14	86	85	86	85	326	105	81
Do. pref.	7	6.73	104½	104	104	104	47	111	103
East Theat. c. (par $25)	.	...	..	...	...	...	...	30	18¾
Do. pref.	7	7.44	94	94	94	93	10	94	83
Famous Players, com.	.	...	17½	17½	17½	20	30	21	11
Do. pref.	7	8.60	94½	92½	92½	94	170	94½	88
Gilman, com.	6	4.76	..	...	...	...	...	127½	104½
Do. pref.	7	5.34	..	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.23	97⅛	95½	96½	95	780	99¼	85
Holt Renfrew, pref.	7	...	..	...	...	...	...	90	84½
King Ed. Hotel	.	...	..	...	...	...	...	41	25
Kelvinator, com. (no par)	.	...	15½	15½	15½	16	40	20½	14
Do. pref.	7	7.48	93½	93	93	93½	67	95¾	88
Lyall Construction	.	...	..	...	...	...	...	48	20
Loew's, com.	.	...	..	67	67	68	1042	72	56
Do. pref.	.	...	..	102	102	102	1	110	101¾
Nat. Brew., c. (par $25)	4	5.92	68½	...	...	...	...	12½	8
Do. pref.	7	6.86	102	65	65	65	1	72	60
National Brick, com.	.	...	..	92	93	92	26	110	90
Do. pref.	7	10.76	65	106	106	105½	4	110	102
Pacific Burt. com.	6	6.45	93	100	105	100	115	102	74½
Do. pref.	7	6.60	106	102	102	102	31	105	99
Port Hope Sanitary, com.	3	2.94	105	...	...	...	...	67	45
Do. pref.	7	6.86	102	92	94	94	28	97	90
Rogers, Wm., com.	.	...	..	138	138	138½	40	148	125
Do. pref.	7	7.44	94	117½	119⅛	117	60	119⅛	110½
Sher.-Williams, com.	6	4.33	138	...	...	...	...	48	37
Do. pref.	7	5.93	119⅛	...	...	...	...	8	8
Sterling Coal	4	...	..	68½	65	64	190	65	56
Tooke Bros., com.	.	....	..	64	64	63	210	65	58
Do. pref.	.	...	65	...	...	...	...	105	100
Tuckett Tobacco, com.	4	6.25	64	...	...	...	...	40	36
Do. pref.	7	6.93	..	...	...	...	...	93	90
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.35	85½	83¾	83¾	87	6	90	77¾
Standard Chem., pref.	.	....	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.97	..	...	...	...	...	100	90
Can. Permanent	12	5.73	209⅛	209⅛	209⅛	209	1	211	202¼
Colonial Invest.	6	...	..	...	...	...	...	7	4
Hamilton Prov.	10	...	..	...	...	...	...	157	157
Huron & Erie	7+½	5.55	..	...	...	...	...	135	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	4.97	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	7.73	..	...	...	...	...	90½	83
Toronto Gen. Trusts	12	5.33	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	6.73	104	104	104	103	20	104	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	36	34¾	35½	34¾	545	43¾	7
Beacon Oil	.	...	17	16	17	16	105	19½	14¼
Belding, pref.	7	8.75	80	80	80	80	50	101	75
Brit. Am. Oil (par $25)	10	4.16	60⅛	58½	60⅛	58½	2934	60	47
Can. Nor. Pr., pref.	7	7.44	94½	93⅛	94¼	92	85	94½	89¼
Can. Oil, com.	5	5.83	86	85¼	85¼	90	10	91	65
Do. pref.	8	7.09	112¾	112½	112¾	112	10	114	109
Cockshutt, pref.	.	...	69	68	69	67	110	73	57¼
Continental Oil	$1.00	...	..	...	...	...	...	26	17⅞
Dom. Eng.	.	...	..	...	...	...	...	120	65
Dryden Power (no par)	.	...	11	10¼	10¼	10	215	12	52
East Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	16⅜	16⅜	16⅜	15	50	24½	15
Do. pref.	.	...	..	...	...	...	...	75	59½
Good. & Worts	$1.00	2.96	34½	32¾	34	34⅝	4470	36½	27½
Illinois Power, pref.	7	7.07	99½	99	99½	98⅝	30	99¾	96
Imperial Oil	$1.00	2.77	37	36	36⅝	36	4665	38½	32½
Inter. Petroleum	75c	2.42	31¾	30¾	31⅜	31¾	806	35½	29¼
Manitoba Power	.	...	42	41½	41½	41	40	43	24
Newsprint Co.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	..	...	...	...	...	125	75
Do. pref.	7	...	..	...	...	...	...	490	450
Nor. Mex. Pr., com.	.	...	45¾	44½	45	45	45	55	40
Do. pref.	7	8.53	82	81⅞	82	80	33	85	80
N.S. Car, com.	.	...	..	...	...	...	...	15	7½
Page Hersey, com. (new)	75c	6.03	49¾	49½	49¾	49½	292	50⅝	43
Do. pref. (new)	$1.75	6.25	112½	111	111⅞	112½	135	114⅛	100½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	99	75
Power Corp. (no par)	.	...	..	...	...	...	...	28¼	22
Pressed Metals	.	...	..	...	...	...	...	40	30
St. Law. Pr. (no par)	.	...	51½	49⅞	51½	49	760	51	35
Do. pref.	8	7.51	106½	106	106½	106	100	106½	103¾
St. Maurice Valley	.	...	63	62	62	63	1242	65	40
St. Maurice Pr.	.	...	95	87½	95	87	141	95	72½
Simpson, Robt., pref.	6	5.92	101¼	101¼	101¼	101	12	102	99
Toronto R. S.	.	...	..	...	...	...	...	195	110
Un. Secs., com.	.	...	50	50	50	50	11	65	50
Do. pref.	6	5.76	104	103½	104	103	105	105	102
Voclanic Oil	63c	...	31	31	31	30	38	31⅞	26
Brewers & Distillers	.	...	4½	4½	4½	4⅝	450	5	4¼
Cosgrave Brew.	5	....	6⅝	6	6	6½	855	6½	6¼
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
McColl Oil, com.	.	...	21	21	21	21½	25	24¾	18⅞
Do. pref.	.	...	..	...	...	...	...	99½	95
Mount Royal, pref.	.	...	..	...	...	...	...	42¼	42¼

RGH

The Canadian Securities Manual

Oct. 1926

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THE ROLLAND PAPER CO., LIMITED
High Grade Paper Makers Since 1882
MONTREAL
Mills at St. Jerome and Mont Rolland, P.Q.

Pulp and Paper

CANADIAN PAPER MILL TO BUILD U.S. SUBSIDIARY

Westminster Paper Mills To Add Mill in Washington

About ten miles from Vancouver, on the Fraser River, in the city of New Westminster, there stands a model paper mill which was erected four years ago by J. J. Herb. The name of the company is the Westminster Paper Company and its products embrace everything from wrapping paper to tissue. Mr. Herb was for many years connected with the paper industry in Wisconsin, but since coming to Canada he has built up this business on the banks of the Fraser. He has been in the game for 37 years. The Canadian plant consists of a 10-ft. yankee 132-inch wire paper machine; two large beaters; two large sized Jordans; creping, oiling and waxing equipment; and all the machinery that is necessary for the economical production of fine papers, tissues, towels and napkins. The annual production is about 4,000 tons, and the mill is constructed so that another machine may be added at a minimum cost. The pulp which is used, is all supplied from pulp mills in B.C. and is delivered at the factory by water, at a rate of not more than $2.00 per ton.

Financing For New Mill

Within the past month, Mr. Herb announced a new security issue consisting of $85,000 of first mortgage bonds, which are being offered to enable the company to erect a plant in the State of Washington, U.S.A.

This new plant is the outcome of a growing business, and is more particularly to supply the needs of the United States market. The new mill will be situated at Bellingham, Washington, on the Puget Sound. It is being erected in part to avoid the import duty on Canadian products and will be called the Pacific Coast Paper Mills. Like the parent company it will be a small model mill, with both deep water and rail facilities to aid in economical production. The pulp requirements are to be supplied from a new pulp mill which is now nearing completion immediately near to the Bellingham plant.

The bonds which are now being offered are 6½% first (closed) mortgage bonds, a direct obligation of the parent company, secured by a first mortgage on its property and equipment which is at present valued at $375,000. Furthermore, they are secured by a deposit with the trustees of $100,000 worth of the 6½% bonds of the subsidiary company and also by the additional collateral of the majority of the common stock of the Pacific Coast subsidiary. The value of the new property of the subsidiary is estimated at $200,000.

The earnings of the parent company were at the rate of $37,277 per year during the time it has been in business, which is 3.27 times the interest requirements on the new issue. The current assets of the company on August 1, 1926, were $156,849, and the current liabilities $79,743. The total net assets without taking into consideration this issue, were $625,373, which is at the rate of $3.573 for each $1,000 of bonds outstanding. The proceeds of the issue are to purchase the bond issue of the Bellingham plant, and to provide additional machinery and equipment at New Westminster. No common share dividends can be paid until an equal amount of money is paid into the sinking fund; no common share dividends are payable by the subsidiary company until the $100.000 of 6½% bonds, pledged as collateral. have been entirely redeemed by payments into the sinking fund. The bonds were offered at 99 and accrued interest to yield 6.60%.

New Map of Edmonton District Issued by Topographical Dept.

A map of Edmonton and the surrounding district has been issued by the Topographical Survey, Department of Interior, Ottawa. This Edmonton district sheet is printed in colors on the scale of one mile to the inch and shows lakes. rivers, streams, woods and the artificial features as railways, roads, section and quarter-section line boundaries, houses, schools, churches, post offices, etc.

The "lay" of the land is indicated by contour lines, the contour interval being twenty-five feet. The elevations are referred to mean sea level. Along some of the section lines the actual elevations of the section corners are given to the nearest foot and of the bench marks to the nearest tenth of a foot.

It is safe to say that the extent of information shown upon this topographical map will be a revelation, even to those who have been resident in this district for many years. Copies of this map sheet put up in folder form may be obtained for the nominal fee of fifty cents upon application to the director, Topographical Survey, Department of the Interior, Ottawa. If the sheet only is desired without the folder, the fee is twenty-five cents.

Brompton's Head Passes; F. N. McCrea Was Leader

Francis N. McCrea, Liberal member for Sherbrooke in the House of Commons from 1911 to 1925 and long prominent in the business life of Sherbrooke and the Eastern Townships, died shortly after noon on Saturday. Mr. McCrea had suffered from heart trouble, a previous illness having been almost fatal.

In business life, the late Mr. McCrea was known chiefly as president of the Brompton Pulp and Paper Company. He was also head of the Stanstead and Sherbrooke Mutual Life Assurance Company; the Federal Asbestos Company, and was president or director of several other Eastern Townships concerns, most of them connected with the lumber in-

Alberta Farms Show Heavy Yields of Grain

Some heavy yields of grain are being reported throughout Alberta. At Claresholm, it is reported by the Lethbridge Herald that G. A. Walker, M.L.A., has threshed 55 bushels an acre from 46 acres of wheat. A yield of 42½ bushels is reported from 155 acres on the Thompson Co. farm at Spring Coulee, this being second generation Marquis. Turkey Red winter wheat on the farm of Armour and Primble, in the Ready-made irrigated district, near Lethbridge, yielded 72 bushels to the acre. One irrigated farm near Taber reported 51 bushels to the acre. At Champion, a yield of 45½ bushels on one farm was reported, with 100 bushels of oats to the acre.

ANGLO-CANADIAN AWARDS CONTRACTS

Work on Huge Development Will Soon be Under Way

The Anglo-Canadian Pulp & Paper Mills, Ltd., have awarded the general contracts for the construction of their huge paper mill at Limoilu, Quebec.

The successful tenderers were the W. I. Bishop Construction Company, of Montreal, who are at present engaged on the construction of the new mill for the St. Anne Paper Company, Limited, near St. Anne de Beaupre, a short distance from Quebec. It is understood that the pile driving for the foundations will commence within the next few weeks.

Preparatory to the building of the mill a most interesting piece of work has had to be undertaken. The company secured about 96 acres at the junction of the St. Charles and St. Lawrence Rivers, the bulk of the property being under water at high tide; a dam was built around the property, and the Dredging Company, Limited, have been pouring sand, taken from the river bed, into the enclosure at the rate of about 12,000 cubic yards a day.

Eventually all this area will be built up level with the land above high-water mark, and the mills and plants of the new company erected thereon.

The new mill will require about 2,000 tons of structural steel, which will be supplied by the Dominion Bridge Company. The newsprint machines will eventually be eight in number, four to go in on completion of the mill and four later. Contracts for the machines have not been let, but no doubt the Dominion Engineering Works and the Charles Walmsley Co. will figure in this portion of the construction.

The direction of design and engineering of this huge project, which will run between $10,000,000 and $12,000,000, is in the hands of George F. Hardy, the well-known New York consulting engineer, and his Canadian collaborators, Trotter and Cate, of Montreal.

The huge log pile for the mill will be placed between the retaining wall of the mill property proper, and high water on an additional 500-foot strip which the company recently acquired.

Abitibi Prepares for 210,000 Cord Wood Cut

The work of the woods department of Abitibi Power & Paper Company is practically completed for the summer and arrangements for the winter cut of 210,000 cords have been made.

All the towing on the lakes and rivers is through. Overhauling of the marine equipment will be completed before the freeze-up and the different boats, launches and alligators returned to their various posts this fall so as to be ready for service the very minute the break-up comes.

Contracting in Ontario is all but completed and is going on satisfactorily in Quebec.

The contractors along the railroad are well under way. The camps are all up and actual logging is going on. The company camp is going. The same principle as adopted last year is being followed, i.e., the principal men from the summer operations have been transferred to winter operations so that the entire executive end of all departments of the wood operations are twelve-month men.

In connection with the railroad operations, the enginehouse extension which was completed some weeks ago has already been of considerable service owing to the excellent facilities for maintenance and repair work.

In the province of Quebec a considerable amount of work has been done this autumn getting ready for next spring. A dam was constructed on the Chazel River.

A good deal of improvement work was done also on Quebec rivers to assist in the spring drive. This work was necessary because of the greater quantity of wood coming down next spring. The improvement work consisted mainly in cleaning and glance booming.

Sydney Finds Water Main Leaks Expensive Proposition

From Our Own Correspondent.

SYDNEY.—At least $12,000 a year of the taxpayers' money has been leaking out through defective water mains for a long time past, according to discoveries made recently by a civic committee headed by Mayor McConnell.

Alarmed by increasingly heavy water consumption, a general survey of the situation was made and led to a realization that whereas the total consumption and wastage for all domestic and industrial purposes should not be more than 1,250,000 gallons a day, actually 3.500,000 gallons a day are coming down from the city reservoir and going—no one knows where.

If even 1,000,000 gallons of daily waste can be cut out, it will mean a cash saving of $1,770 a month in power charges alone, as it will then seldom be necessary to pump water from the auxiliary reservoirs to the main pond. It will be impossible, however, to get back the many thousands of dollars spent in acquiring additional water supplies, when in reality all that was really needed was already contained in the main basin.

A crew of experts will be put on in the spring to make a systematic survey of the pipe system with a view to repairing all large leaks.

Potato Crop is Increased

The Canadian potato crop is still estimated to be 43,130,000 cwt., compared with 42,379,900 in 1925. This is made up with Prince Edward Island 3,405,000 cwt., Nova Scotia 2,833,000, New Brunswick 4,321 000, Quebec 13,769,000, Ontario 8,916,000, Manitoba 2,248,000, Saskatchewan 3,015,000, Alberta 2,764,000, and British Columbia 1,859,000.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

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MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
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Cambrics, Voiles, Shirtings, Sheetings, Broadcloths and other fine white cottons; a complete range of fine Coloured Cottons; Yarns, Corset Fabrics, etc., Wacosilke, an exclusive, new fabric, made from finest Wabasso combed yarns and Celanese Brand yarns combined.
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Manitoba Pulp Soon Running

Paper making will commence next month at Fort Alexander at the plant of the Manitoba Pulp and Paper Company. There will be two trains weekly from the plant to Winnipeg, transporting the finished product, much of which is expected to be sent across the line. The plant is modern in every way and will employ a staff of 300, while 400 men will be working in getting out logs.

C.P.R. EXPECTED TO EARN 15 P.C. ON ITS COMMON

Nine Months' Earnings Figures Enable Comparison To Be Made

With nine months' earnings figures of C. P. R. available it now seems likely that the railroad will earn at least 15% on the common stock. In fact C. P. R. is likely to earn its full 10% dividend on freight and passenger revenues alone. However, the policy is to pay 7% out of these revenues, leaving 3% to be paid out of sundry outside revenues.

The September result brings the nine months' showing to one which makes very favorable comparison with anything that has gone before. Less than half a dozen three-quarter periods in the history of the road have resulted in as large a net showing as the $28,632,021 shown this year, this being the best showing since 1917. Once in history, and that in the inflation year of 1920 has gross for the nine months topped the 1926 showing of $137,331,784.

It is interesting to note that the gross earnings in September were more than double what they were in either 1909 or 1910.

1925 and 1926 Compared

The gross earnings, working expenses and net profits for the month of September and for the nine months are shown in the following with comparisons:

Sept.	1926	1925	Increase
Gross ..	$18,875,404	$18,909,071	*$ 33,667
Working exp. ..	12,426,580	12,641,452	*214,871
Net ....$	6,448,824	$ 6,267,619	$181,204
Nine months			
Gross	$137,331,784	$124,674,088	$12,657,696
Work. exp.	108,699,763	103,038,166	5,661,596
Net ..$	28,632,021	$ 21,635,921	$ 6,996,099

*Decrease.

The statement of net earnings of the Canadian Pacific Railway Company for September and the nine months to date, makes it possible to estimate with fair accuracy the results for the current year of 1926. It was the September results that were to some extent a doubtful factor, for it was known that the wheat crop was not moving as rapidly as last year, and a decline in net for September was rather expected in some quarters. The actual figures show that the company was able, in spite of a slight decrease in gross of $35,667, amounting, by the way, to less than 1-5 of 1 per cent., to show an actual increase in net of $181,204. This was accomplished by cutting down operating ratio, which was only 65.8 per cent. for September of last year, compared with 66.9 per cent. last year.

Figuring Net Earnings

Taking as a starting point the increase in net earnings for nine months of $6,996,099 over last year, and, on the assumption that during the remaining three months still to report, the company does no better than maintain the same net as last year after providing for a slight increase in fixed charges amounting to about $300,000 additional interest on the $20,000,000 issue of 4½ per cent. bonds, the net earnings for the year available for dividends would amount to about $39,500,000. This would represent 15.2 per cent. earned on the $260,000,000 of capital stock. Last year the net earnings from railway operations alone, and available for the 7 per cent. dividend charged against these, amounted to $21,210,315. Adding the net increase for this year of nearly $7,000,000, there would be available for the 7 per cent. an amount of $28,206,414. As 7 per cent. payment requires only $18,200,000 there would remain at least $10,000,000 as a surplus for 1926 on railway operations.

Looking at the situation from another standpoint, suppose the entire amount of earnings from the railway were devoted to meet the 10 per cent. dividend in full, there would still remain a surplus of over $2,200,000. To this might be added special income in full, which last year amounted to $11,357,375. Earnings from this source seem likely to show an increase this year, but, taking the same amount, the total surplus for the year, after dividends, would exceed $13,500,000, or over 5 per cent. on common stock. This surplus would be by far the largest in any year since 1917, when it was over $15,000,000.

Discuss Cement, Bridge And St. Maurice Breezily

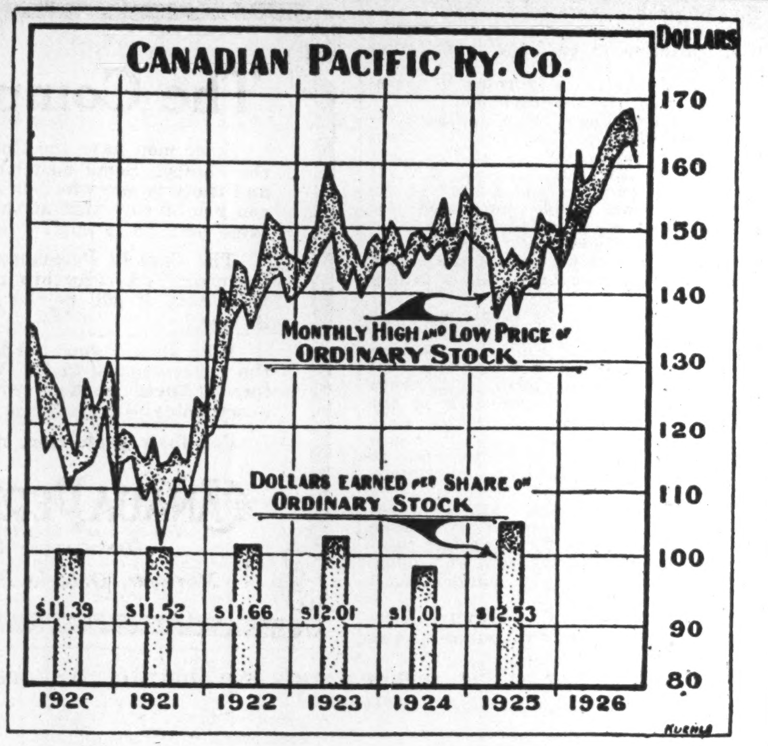
O'Brien and Williams, Montreal, in their market letter this week throw out some breezy gossip:

"A rumor has been current for some time that the National Cement Co. is going to increase its production by adding two new kilns to its plants and that the Canada Cement Co. will meet the move with another cut in the price. So far we have not been able to confirm this report. One thing, however, seems fairly obvious and that is that the Canada Cement people have turned a deaf ear to all peace overtures. Apparently the big cement concern has demonstrated its ability to make satisfactory earnings at the lower scale of prices and intends to paddle its own canoe entirely irrespective of the wealth of thought which outsiders have bsetowed upon the situation.

"It is, of course, only a matter of a short time before the shareholders of Dominion Bridge will be rewarded with a larger disbursement, but it is not possible to say whether the increase will be in the shape of a bonus or a higher dividend. The company must have had a very satisfactory year and with no bonds or preferred shares to eat into their earnings the shareholders are anticipating fairly generous treatment. Certainly the market is optimistic otherwise a 4 per cent. stock would not be selling at 108.

"St. Maurice Power shares are scarce and quoted around 90. Vision is required in the power game. Last year the company earned only a few cents a share but the enterprise was then only in its infancy. It is growing fast and will continue to expand. We doubt very much if present earnings justify a price of 90 for the stock, but a man who figures on present yields will never make a dollar in Canadian power stocks because he will never buy them. He must look at least two years ahead. That is what the St. Maurice holders are doing and that is the reason the shares are not reckoned with on an immediate yield basis."

The commercial apple crop of Nova Scotia is estimated to be 622,800 barrels, or 70 per cent. of the crop of 1925. As these figures represent the quantities of apples that will move to market, approximately 3,114 cars are expected as compared with 4,449 cars last year.



C.P.R.'s PROGRESS FOLLOWS CANADA

United States investment papers and financial pages have given considerable attention to Canadian Pacific Railway of late, and it is being recommended as one of the outstanding railway investments at to-day's prices.

New York Evening Post says of C.P.R. in the course of a long review:

In 1889 the system was comprised of 7,000 miles of railway, whereas to-day it owns or controls and operates more than 20,000 miles, of which 5,100 miles run through parts of the United States.

The company engages in many other lines, operating ocean, coastal and inland steamships, hotels, grain elevators, express facilities and telegraph and news services. Its land grants received from the government for its work in linking together the colonies, which for a time threatened to become a perpetual drag on the company, have in recent years proved a source of handsome revenues. Not alone has the company been able to use the land grant to assist it in financing, but through promoting colonization of its vast areas it has been able to render great service to the country by attracting population from other countries.

Heavy Sales of Land Holdings

The original grant involved 25,000,000 acres, but this was later cut to 18,000,000 acres. At present the company retains unsold approximately 5,500,000 acres. Land sales this year have been unusually large and the final report for the period doubtless will show revenues from that source contributing liberally to total profits. Incidentally much of the remaining holdings are located in the most promising oil territory in Alberta.

Admittedly Canada's wonderful natural resources remain virtually untouched. Doubtless products of the mines will ultimately form a substantial proportion of the tonnage carried by this great system. For the present, however, tonnage of that character is comparatively light, its revenues coming largely from the transportation of manufacturing products, grain and lumber. Free from government control in any form it operates under conditions contrasting sharply with those governing the industry in the United States.

The Canadian Pacific had its biggest year, from a standpoint of gross revenues in 1920, but despite smaller gross net results were much better in some previous years—namely, 1917 and 1916.

Six Years' Earnings of Road

The following compilation shows gross revenues and net income for the years 1920 and 1925 inclusive.

	Gross Earnings	Net Income
1920	$216,641,349	$32,844,083
1921	193,021,854	33,169,867
1922	186,675,036	33,545,139
1923	195,837,090	34,899,409
1924	182,502,156	32,628,208
1925	183,356,006	36,573,633

The road at the end of 1925 had total assets of $1,113,872,693, including investment in property of $709,888,650. Holding of securities of controlled roads stood at $141,322,587, and miscellaneous investments were carried at $23,677,036. Assets consisting of lands and other properties accounted for another $99,463,662, and there was a total of $57,411,087 accruing from deferred payments on land and townsites. Current assets aggregated $67,793,886, including $29,937,526 in cash, contrasted with current liabilities of $18,863,082.

Funded Debt of Company

Funded debt amounts to $32,286,531, but only an insignificant portion of that total is secured by mortgage. By far the major portion, $264,244,832 of the total, to be exact, consists of consolidated debenture stock. The latter is a unique form of security, created with the consent of parliament to avoid a policy that would lead to involving a wide variety of securities in the form of bonds taken up by the company in the process of acquiring properties, or securing of additional funds for expansion through new securities backed by mortgage on a specific property.

The stock in many respects is similar to a bond except that it is unsecured by mortgage or collateral and has no maturity, being perpetual and irredeemable. Dividends are a first charge on all property earnings, subject only to interest on existing bonds. Default of dividends would automatically place debenture holders in control of the properties until such default had been rectified. This stock is dealt in on the bond floor of the stock exchange and moves on a basis parallel with other good 4 per cents.

The debenture stock is followed by $100,148,587 in 4 per cent. non-cumulative preference shares on which dividends have been paid regularly since 1895, and $260,000,000 in ordinary shares which have received dividends since 1882 with the single exception of 1895. Since 1911 payments have been made at the rate of 10 per cent. a year. Since the end of the war the margin over dividend requirements has not been exceptionally wide, but indications are that the balance over such needs this year will be much larger than in any other period since 1917.

Member of F.T.D.A.

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TORONTO

"FLOWERS TELEGRAPHED ANYWHERE"

WHAT WILL HAPPEN TO SEALING TREATY?

Beneficial Measure Regulating Seal Killing in Pacific Expires Dec. 31

Canada's pelagic sealing treaty with U. S., Japan, and Russia, negotiated in 1911, expired the end of this year. The question of its renewal, modification or cancellation, is soon to come up. The treaty prevented killing of seals in Pacific waters so that the herds would not be exterminated, as was threatened. The destruction of a certain number of male seals in the rookeries was permitted, the surplus of males being regarded more as a menace than as a measure of conservation.

From the operation of the treaty, highly beneficial results are claimed, the herds having very greatly increased in number in the areas where the prohibition has existed, while the limited killing which has been permitted in the rookeries is considered adequate to the purposes of the trade.

Failure on the part of the governments to act, automatically renews the treaty. Coast interests want the treaty cancelled so as to allow the return of the romantic days of sealing expeditions on the high seas. Others think that the satisfactory operation of the treaty should be continued. Russia presents an obstacle to negotiations, as U. S. accords the Soviet no official recognition.

Great Northern to Build Big Hotel in Alberta

The Great Northern Railway is building an up-to-date tourist hotel at Waterton Lakes, Alberta, at a cost of $1,000,000, which will be opened next June. Plans have been made for handling transportation of tourists through the Mountains next summer.

The tourists will arrive over the Montana line to Glacier Park, and cross over to Waterton Lakes, which is a resort on the border. The proposal is to establish a 'bus route to take them on a tour through the Windermere valley, touching Cranbrook, Fort Steele, Windermere, Sinclair Canyon, Banff, Lake Louise, the round trip being completed at Spokane.

The Royal Bank of Canada
Head Office, Montreal

Condensed Statement
to the Dominion Government
September 30 1926

LIABILITIES

Capital Paid up	$ 24,400,000.00
Reserve Fund	24,400,000.00
Undivided Profits	1,249,435.32
Notes in Circulation	36,693,312.94
Deposits	601,596,568.03
Due to other Banks	17,751,023.64
Bills Payable (Acceptances by London Branch)	7,199,927.09
Letters of Credit outstanding	31,714,300.02
	$745,004,567.94

ASSETS

Cash on Hand and in Banks	$103,752,968.94
Deposit in the Central Gold Reserves	14,000,000.00
Government and Municipal Securities	103,106,726.05
Railway and other Bonds, Debentures and Stocks ..	19,114,910.28
Call Loans in Canada	28,314,394.44
Call Loans elsewhere than in Canada	60,736,104.43
	$329,025,104.15
Loans and Discounts	365,047,791.96
Liabilities of Customers under Letters of Credit as per contra	31,714,300.02
Bank Premises	14,375,405.66
Real Estate other than Bank Premises	2,233,087.69
Mortgages on Real Estate sold by the Bank	1,363,877.56
Deposit with Dominion Government for Security of Note Circulation	1,245,000.00
	$745,004,567.94

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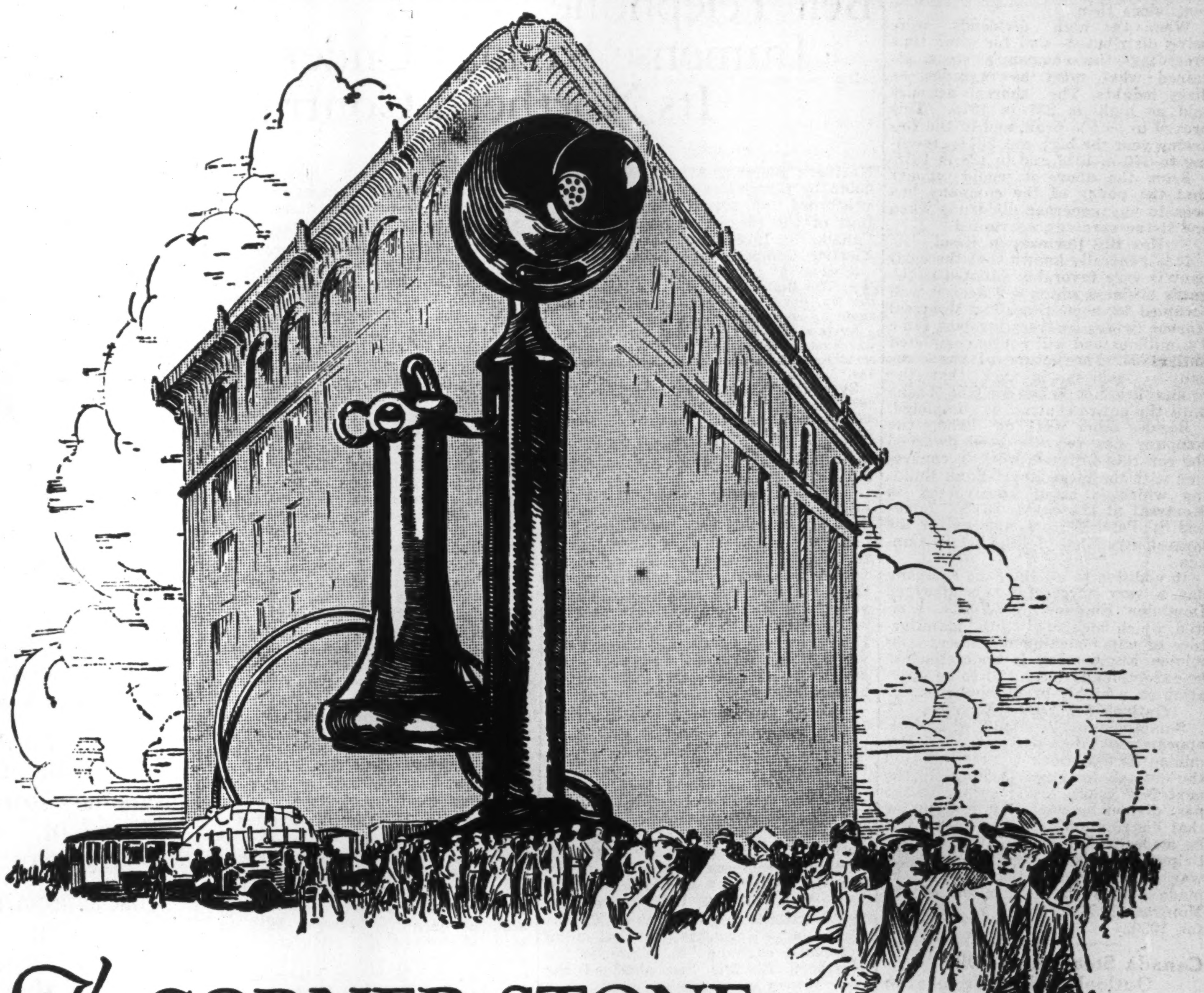
MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*.



The CORNER-STONE

THE great office buildings of to-day would be an impossibility were it not for the telephone. Business has become so highly organized that countless communications must circulate constantly between the offices within the building and to points outside. If these offices had to depend upon messenger boys there would not be space enough for the necessary elevators to carry the messengers, to say nothing of the tenants. Without modern telephone equipment, great office buildings would be little more than mountains full of isolated caves. Thus, wherever the telephone is found whether it be in the city, village or farm, it has become the corner-stone of business.

The Northern Electric Company, by manufacturing the telephone and telephone equipment, and the Telephone Companies in taking care of the telephone needs of to-day, are performing a necessary service in the every-day life of banker and farmer, minister and doctor, housewife and merchant throughout the Dominion.

This is No. 20 of a series of advertisements issued in the interest of Canada's electrical development

Northern Electric
COMPANY LIMITED

Equipment for transmitting Sound and Power

220

DOMINION BRIDGE STOCK LEVEL DUE TO GOOD OUTLOOK

In Past, Company Has Paid Handsomely When Earnings There

Dominion Bridge Company, Limited, whose shares are listed on the Montreal Stock Exchange, is paying dividends at the rate of four per cent. a year, or $4 a share. At current levels of around 107, this yields a return of less than 3¾ per cent. In other words the yield is considerably below that of the highest class Dominion Government bond, and the question naturally arises, "What is it that explains or justifies such a price for the stock?"

To answer this question comprehensively requires a fairly detailed analysis of the company—its past history and dividend record, the nature of its management, the amount of business now on hand and the prospects of the future.

Technically Dominion Bridge dates its existence from the time of its incorporation in 1912, but from a broader point of view it must be regarded as having been in existence since 1882, as the business it acquired on incorporation had been in operation from the latter year. One of the outstanding contracts the company has figured in was the construction of the Quebec Bridge, the final span of which was laid in 1917 and the entire work completed in 1918. In the construction of this world famed structure, Dominion Bridge was associated with another company, the Canadian Bridge Company, with whom it divided the profits.

Paid Heavily on Quebec Job

When the profits derived from the Quebec Bridge were made available, the company was very generous to its shareholders, distributing 20 per cent. in 1916 and 11½ per cent. in 1917. Dividends were maintained at eight per cent. a year up to the end of 1921 and at the current rate of four per cent. since then.

When the high dividends were being distributed—and for some time preceding—the company's stock attained what must be regarded as dizzy heights. The shares actually sold as high as 237 in 1915. This proved to be the peak, and in the following year the high was 231½, receding to 170 in 1917 and to 128 in 1918.

From the above it would appear that the policy of the company has been to pay generous dividends when and if the earnings warranted.

Has Big Business in Hand

It is generally known that the company is very favorably situated as regards business which will keep it well occupied for some time. The Montreal Harbor Bridge contract involves some 7¼ millions and will not be completed until 1930. The nature of the company's business is such that the profits are not taken on the books until the entire contract is completed.

Besides other work on hand, the company has recently been awarded the contract for steel work in connection with the large Royal Bank Building which is being constructed in Montreal at the corner of St. James and St. Peter Streets, and will be the largest structure of its kind in Canada.

In addition to all this, the company has a very successful subsidiary in Dominion Engineering Works, Limited, which is devoted to the manufacture of paper-making machinery. Dominion Engineering is understood to be exceptionally busy and to be operating on a highly profitable basis.

Outlook for Large Earnings

Summing up it would, therefore, appear that the high price of Dominion Bridge stock is predicated on the outlook for large earnings in the next few years, and judging by the past dividend record it is anticipated that distribution to shareholders will be made in due course. It is not anticipated, however, that much in the way of dividend increases will be made before the completion of the Montreal Bridge, which is scheduled for 1930.

Canada Steamships 1927 Outlook Called Favorable

On or about the 1st December each shareholder of Canada Steamships preferred will receive in exchange for every 10 shares of stock at present held, 12 shares of new 6 per cent. preferred stock, cumulative from the 1st January, 1927. Unless something unforeseen occurs, dividend payments will be inaugurated at the end of the first quarter of next year, on April 1st. Such at least is the inference drawn from the statements made by the president of the company in this connection. Furthermore, the new preferred stock is not limited to 6 per cent., but will receive 1 per cent. additional if any dividend payment is made on the common shares, and 1 per cent. more if over $3 is paid on the junior issue. Ten shares of preferred stock at around the present market price would cost about $940. As soon as the exchange is made, the purchaser at current level will have 12 shares of new 6 per cent. preferred stock costing about $940, or approximately $78 a share.

In the estimation of the financial district this is a low price for a 6 per cent. cumulative, profit sharing, preferred issue, say McCuaig Bros. and Company. By comparison with other issues of the same kind the new stock might sell anywhere between 85 and 90. This explains the recent impressive accumulation of the preferred stock. The elimination of arrears of dividends on the preferred issue has greatly improved the outlook for the common stock and brought considerably nearer the date when dividend payments may reasonably be expected. In the prospectus issued in connection with the recent bond issue, net earnings for the present year were estimated at $3,500,000. Deducting total interest charges of $1,320,000 there remains $1,180,000 available for preferred dividends. Annual dividend requirements on the latter issue amount to $900,000. If recent reports are to be believed, these estimates are likely to be exceeded this year, and the outlook for 1927 is stated to be even more favorable.

Goodyear Sales in 1910, $85,000; This Year Will be $26,000,000

The story of the rise of the Goodyear Tire & Rubber Company of Canada, from small beginnings in 1910, with net sales of $85,167, to the position which it now occupies of Canada's largest tire company, with net sales that in 1926 will reach $26,000,000, is one of the outstanding chapters in Canadian industrial history, say Dickson, Jolliffe & Co., in a pamphlet story of the company, that they have issued.

The Goodyear Tire & Rubber Company, of Akron, Ohio, one of the three great pioneers of the tire industry on this continent, had won a world-wide reputation for its products before it was decided, in 1910, to establish a Canadian Goodyear Company. In that year, C. H. Carlisle, who had been in the employ of the Akron Company, was entrusted with the opening of a Canadian branch.

For some time the Canadian company consisted of Mr. Carlisle and two or three assistants. But, largely owing to Mr. Carlisle's vision, tenacity of purpose and faith in Canada's future, and his organizing and executive ability, the Canadian Goodyear Company had become in a comparatively short time the largest manufacturer of rubber tires in Canada, and one of the largest tire companies in the British Empire.

The company owns three large modern plants—the tire plant at New Toronto, the mechanical rubber goods plant at Bowmanville and the Goodyear Cotton plant at St. Hyacinthe, Quebec. The combined floor space in these three plants totals more than 21 acres, and employment is given to over 3,000 people.

New Toronto Plant

The New Toronto plant occupies 27 acres of land and has over 633,084 square feet of floor space. It is one of the finest and most up-to-date tire factories in the world. Here are manufactured the famous Goodyear "All Weather Tread" pneumatic tires. This great plant has a production capacity of 10,000 to 11,000 inner tubes and 7,000 tire casings per day.

The Bowmanville plant occupies 33 acres of land and has 135,680 square feet of floor space. It is devoted to the manufacture of solid rubber tires for trucks, rubber heels, rubber mats, belting, hose, packings and sheetings, bumpers, lathe goods, valves and molded goods. Rubber enters largely into modern life, and the market for the mechanical rubber goods above mentioned is a large and growing one. There is, for instance, a big demand for belting for industrial uses. Six big presses, exerting a steam pressure up to several hundred pounds to the square inch, and making belts up to six feet in width, are among the gigantic machines employed in this plant.

St. Hyacinthe Plant

The Goodyear Cotton Plant at St. Hyacinthe, Quebec, with 166,800 feet of floor space, produces the cotton fabric required for the manufacture of tires, belting and other rubber products. This plant contains the most modern type of spinning and weaving equipment. Twenty-thousand spindles are employed in spinning the cotton into yarn. The plant produces cotton fabric of a superior quality to what can be bought from the southern mills, and produces it just as cheaply. Production of the fabric, being under control of the Goodyear Company, can be brought into exact accord with its particular requirements. The mill operates continuously 22 hours per day on two shifts, and running at full capacity can supply about 75 per cent. of the company's requirements for cotton material.

Increase Payment for Beets

The announcement by the Raymond Sugar factory management that the guaranteed price for sugar beets would be raised $1.00 per ton to $7.00 ton, for next year's crop, is expected to act as a stimulus for an increased acreage in the beets next year in the irrigated district of Alberta.

Bell Telephone Claims Immense Savings Under Its Northern Contract

(Continued from page 1)

Northern Electric. A study had been made, by permission of the companies concerned, of actual purchases by four of the largest organizations in Canada in 1925 from the Northern Electric Company and other houses.

System "A" paid for its supplies $112,458. The Bell Company would have paid the Northern, under its contract, for the same or comparable items, $108,965.

System "B" had paid for its Northern purchase $46,533 in 1925. The same material would have cost the Bell Company $44,331.

System "C" paid for its apparatus $30,303. The Bell Company's outlay, for the same or comparable material, would have been $28,617.

System "D" paid $171,384; cost to the Bell Company would have been $161,535.

The total supplies which cost these other Canadian telephone systems $360,678 would have cost the Bell Company $343,448. They were higher to the other systems by five per cent. In this connection the witness made the point that this percentage, in favor of the Bell company is conservative in that the Northern's price to the Bell includes a substantial amount for warehousing expense, whereas the other Canadian systems are obliged to perform their own warehousing.

Saved Buying from Northern

Bell Telephone called to the stand an eminent telephone engineer of independent affiliations; Kempster B. Miller. He explained that he had taken the complete specifications for the "Lombard" automatic office in Toronto and obtained prices on them from the United States manufacturer of this type of equipment. The figure for the apparatus laid down in Toronto was $778,000; Bell's price from the Northern Electric was $720,000.

Another witness testified that on an automatic exchange in Winnipeg the Northern Electric had obtained the contract in competition with the Seimens Company of England. The Seimens quotation was $501,378; the Northern Electric quotation was $483,464. The price to the Bell Telephone Company was estimated at $455,000.

Under cross-examination the testimony of these witnesses was not seriously challenged, and no figures have so far been submitted to offset their testimony.

Cost of Warehousing Services

As regards the purchasing and warehousing services which the Northern performs for the Bell Company, another witness testified that careful estimate by him of the cost of performing these services would have been for the year 1925, $118,046. As against this, the Northern performed the services of purchasing, warehousing, distributing new material, handling returned material and customs entries for the sum of $80,559.

The Bell Telephone Company thinks it has demonstrated conclusively that it is buying more cheaply from the Northern than it could do from anyone else; (2) that it is buying more cheaply from the Northern than any other Northern customer is doing even although the Northern in selling to them is in direct competition with other manufacturers.

Municipalities Not Fully Satisfied

But the other side, of course, are not satisfied. They want to know what profit the Northern is making. When I. F. Sise, president of the Bell was on the stand, G. R. Geary, M.O., asked him concerning the capital, dividends and surplus of the Northern Electric. Mr. Sise gave what information he could recall, but suggested that Mr. Geary call a Northern Electric witness. But here the board intervened to reaffirm a previous ruling that they had no power to go into the affairs of the Northern Electric. However, at this point one or two of the commissioners, speaking for themselves, said that they would find it helpful if they knew the capitalization, dividend record and surplus of the Northern. Chief counsel for the Bell Company undertook to get the information and put it in, as he said, not as part of the record of the case, but to meet the request of the two commissioners. This information was obtained and tendered for what it was worth. The board again ruled that it could not be part of the record, and, of course, the opposition said that it was incomplete, as anything of the kind would be. Nothing short of a complete investigation of the Northern Electric affairs from the beginning would meet their views.

Earnings Heavily Re-invested

The information tended by the Northern Electric Company showed heavy re-investment of earnings in plant and equipment. In fact, dividends had averaged slightly under 50 per cent. of earnings between 1914 and 1915. This was much criticized by opposing counsel, who felt that it was evidence that Northern Electric was a storehouse for profits that should be paid out to the Bell Telephone Company in dividends to be used for the reduction of rates.

Reasons given by the company for not having made a further distribution of profits were as follows:

"The history of the business indicates wide variation in earnings in different years.

"That a substantial surplus is necessary to stabilize the dividend.

"That all of the surplus has been invested in plant and equipment, except $1,062,000, represented as at December 31, 1925, by $475,000 in cash, $527,288 invested in war loan and $59,913 of the company's own bonds purchased for sinking fund as required by the trust deed. The $475,000 cash represents a normal balance at the end of the month and is required to meet accounts falling due.

"The investment in war loan was authorized by the directors to provide funds to pay for and equip an extension to the factory, which is now under construction and which will cost about $750,000. This is an extension to the Shearer Street plant. Contracts were let on February 16, 1926, and it is now nearing completion. It is required to relieve congestion. $696,000 has already been spent.

"Profits in 1924 and 1925 were enhanced by a high rate of production running at 100 per cent. of normal capacity and a slight curtailment of production would have a very marked effect on earnings."

The statement of Northern Electric profits and their distribution was as follows:

STATEMENT OF NET PROFIT, APPROPRIATION AND ADDITION TO SURPLUS, 1914-1925

Year	Net profits	Dividends Rate	Dividends Amount	Appropriation to employees' pension and benefit fund	Balance carried to surplus	Per cent. net profits carried to surplus
1914	$176,000	..	$......	$.....	$176,000	100. %
1915	119,000	..	......	.....	119,000	100. %
1916	743,000	7%	420,000	.....	323,000	43.5%
1917	662,000	7%	420,000	.....	242,000	36.6%
1918	91,000 (def.)	..	......	.....	91,000 (def.)	100. %
1919	691,000	3½%	210,000	150,000	331,000	47.9%
1920	614,000	7%	420,000	.....	194,000	31.6%
1921	306,000 (def.)	1¾%	105,000	.....	411,000 (def.)	134.3%
1922	130,000	..	......	.....	130,000	100. %
1923	959,000	7%	420,000	50,000	489,000	51. %
1924	1,322,000	10%	600,000	50,000	672,000	50.8%
1925	1,521,000	10%	600,000	250,000	671,000	44.1%
Total 12 years	$6,540,000	(Av.) 4.4%	$3,195,000	$500,000	$2,845,000	(Av.) 43.5%

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Editor The Financial Post:

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An Eastern Trading Agency.

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The Provincial Department of Labor shows British Columbia's industrial payroll to have been $160,000,000 in 1925, not including government, railway or mercantile or shipping employment—an increase of $9,000,000 over 1924. Careful investors keep in touch with this remarkable industrial growth.

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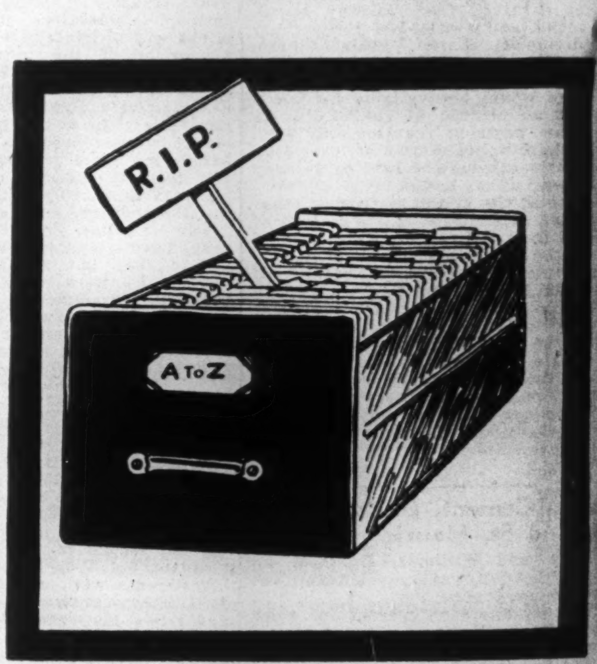
DEAD LEADS

HE was the son of the president, and nobody in the organization was fussy about having him around. So the sales-manager—you've guessed it!—handed him a bunch of prospects which were as dead as Moses—so he thought.

Which didn't prevent the hero of Leslie Gordon Barnard's business story, "The Son of the President," from putting over a very sweet little deal.

Just as a yarn, this story is jolly good fun, but we shall be greatly surprised if, after reading it, there isn't a general reaching for the "graveyard" prospects, to see if some of the Son of the President's medicine won't galvanize them into life.



STARTING

—a rip-roaring, breath-taking story by Bertrand W. Sinclair, "Head Winds."

Other All-Canadian Fiction

by Theodore Goodridge Roberts, Norma Phillips Muir and Marjorie Hay.

All Canadian Articles

by Inar W. Anderson, Charles Lugrin Shaw, A. Raymond Mullens and George Pearson.

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

November 1st Issue

10c. AT ALL NEWS DEALERS — ON THE TRAINS 10c.

G. & W. EARNINGS $6, MOST POPULAR ESTIMATES SHOW

Dividend Rate of $1 Compares With Former 60 Cent Rate

> **Who Owns G. & W.?**
>
> Who really owns G. & W.? Who really controls it? Who really gets most of the profits? G. & W. paid in internal revenue to the Dominion Government the sum of $2.262,069.02 and $27,207.54 in taxes to the city of Toronto. The shareholders last year got $120,000, and for the fiscal year 1926 will get $200,000.

There has been a lot of idle speculation and gossip as to what Gooderham and Worts would earn. "The street" has done a lot of talking, and with the recent Ferguson announcement interest became tense. A meeting of the directors of G. & W. was called for Monday last, and information was given them upon the much debated topic. The street turned its ear close to the ground and listened attentively for a statement of earnings, but it could only hear dim murmurs here and there. No public announcement was forthcoming as to the actual earnings of the company, but there was an announcement that the dividend would be increased to $1 per share on the 200,000 shares of common outstanding. The dividend on the old stock was $6 per share before the split of 10 for 1. Alas! many hearts were disappointed when the new dividend policy came out and the false hopes of a $5 or $6 dividend declaration were shattered.

The company's president stated that earnings for the fiscal year warranted a larger distribution as the sales had greatly increased. It is said that sales have increased threefold over last fiscal year. But the management was anxious to improve the plant and build up reserve stocks, both of which required money. The conservative policy of the management has undoubtedly increased the equity of the shareholders. The company is in an unmistakably strong position, with no bank loans, no mortgages, nor bonds outstanding. During the past year, the company has constantly improved, and brought plant and equipment up to date; the net worth of the assets is said to be well in advance of $4,000,000. Furthermore it must be remembered the building up of a stock reserve is an earning reserve. For the liquor will become more valuable the older and more seasoned it is.

The company is in a strong cash position; it has $275.534 in cash. Unlike a good many other beverages companies, G. & W. carries its good will at $1.

Decision Generally Approved

On the whole, the decision of the management to keep the dividend back at present was probably a wise one. A liberal dividend policy at the moment would have invited a lot of criticism. Furthermore although the company has done well for a short period of time under present conditions, it has not an established earning power. And the business up to the present has been anything but stable. If a policy of government control comes in, we do know that the business will be greatly stabilized. At any rate, the possibilities of the company will be fairly well known by the time of the next annual meeting. If Ferguson is elected, in all probability government control will be enforced before May 1. The fiscal year of G. & W. will end Aug. 31, so that by this time next year it will have had four months of government control on alcoholic operation, and will have begun to fathom what is in store for it.

Although few have seen the actual earnings of the company, the most popular estimate for the disclosed and undisclosed earning is $6 per share. The market for G. & W. has held firmly during the past few days following the annual meeting which indicates that the market is not disappointed in this showing of the company. The company has done well, and would probably do better under government control in Ontario. One more point favoring G. & W. is that it will from now on use a greater proportion of liquor of its own manufacture and upon which the rate of profit is greater.

Shredded Wheat Does Better Than in 1925

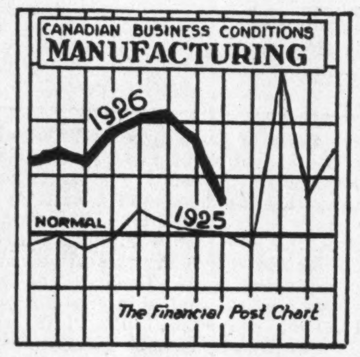
Shredded Wheat Co. reports that business for the year is progressing very favorably with steady increases all along the line. The Canadian plant is working at its full capacity, and an expansion of the plant is being undertaken to cope with the increased business. The English market is proving very satisfactory, and there has been a distinct improvement in Continental business, due to the presence of the English factory .

It is not to be expected that anything startling or spectacular will happen in this particular industry, but the company is one which has steadily and consistently forged ahead. The stock is considered by brokers, to be a sound investment.

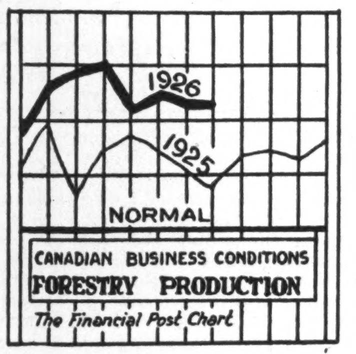
Last year's earnings were well over $1,500.000, and the surplus was more than $300.000 after $3 had been distributed on each of the 400.000 shares of capital stock outstanding. In view of recent dividend action and financial arrangements of the company whereby four shares of no par value stock were given for one share of the old $100 stock, it is not expected that there will be any further dividend payment or distribution of surplus during the current year,

Charts Show How Business Rises

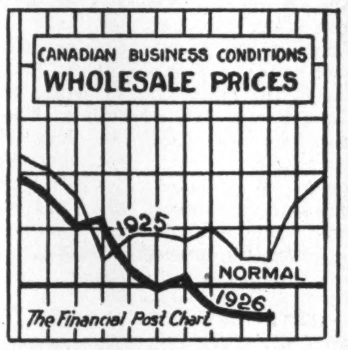
Basic Industries Gain Momentum Month by Month



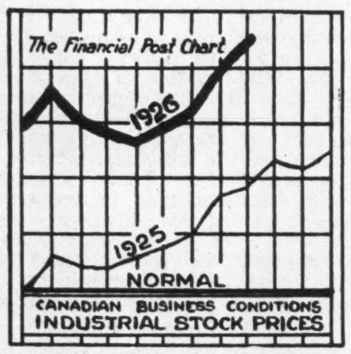
The index of manufacturing activity in Canada is based on a composite analysis of a large group of industrials. Some slowing up in industrial activity in the late summer is shown in this chart.



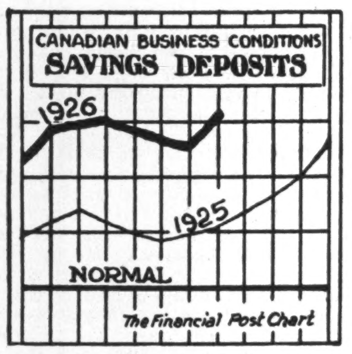
Forestry production in Canada has been well maintained, increased activity in pulp and paper mills more than offsetting declines in various parts of Canada in the production of lumber.



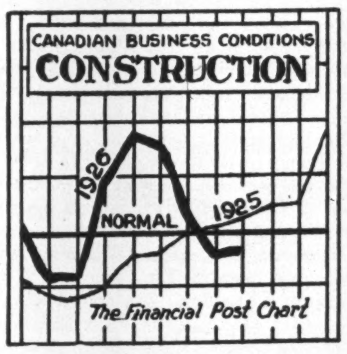
Recent declines in wholesale prices have been due chiefly to the drastic drop in cotton prices following over production in the United States. Price trend of silver has also been downwards.



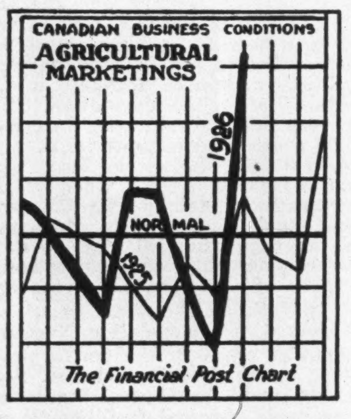
Average price of a group of industrial stocks has shown striking advance in Canada this year, reflecting optimism of investors and speculators and forecasting steady industrial activity.



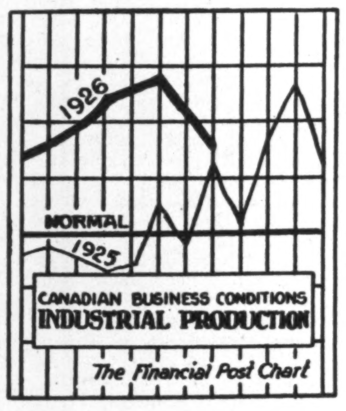
Savings deposits continue to gain in Canada, showing that the people of Canada have plenty of cash in hand and are placing it at the disposal of business and commercial houses by deposits in the chartered banks.



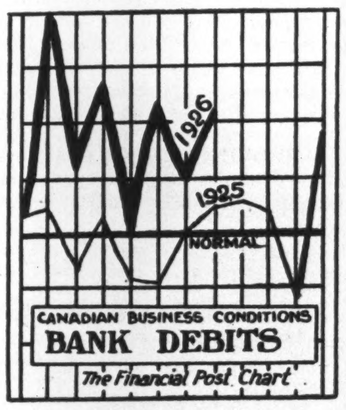
Construction activity slowed down in August and September slightly after the burst of speed of earlier months. It has come back strong and 1926 is almost certain to break all previous records in this field.



While wheat from Canada was late getting to market this year, volume of trade in Canada has been well maintained and there is evidence of at least normal agricultural revenues for the country this year.



Industrial production differs from manufacturing in that it includes many phases of activity apart from ordinary manufacturing. It gives the best idea of non agricultural business in Canada and shows 1926 to have been a much improved year.



Bank debits are to be regarded as one of the best of the many possible indicators of the trend of trade in Canada. Bank debits this year have shown a remarkable advance upon last year's figures.

Guessing Abounds on C.N.R. Issue

Recent Strength Confirms Many People's Belief as to Future Safety

There appears to be much difference in the expectations of the bond men, as to the future action of the Canadian government, with regard to the 5% Canadian Northern income debentures which mature in May, 1930. The debentures have been very active on the market, and after being quoted at 62 a week or so ago the present London quotation is 71 bid and 72 offered. These debentures have had a turbulent career since they were first offered in London, in 1910 at 95. The highest price at which they have ever been sold was 106, which was the current quotation in April, 1912. From that time they slumped, until a few years ago they were selling around 30. As the date of maturity approached, the bonds increased in value, and while the quotation in January, 1924 was about 55, they were being bid for, three months ago, at 77½. At the beginning of October, Sir Henry Thornton announced a plan of conversion which would give holders of the debentures a 4½% stock, maturing in 1970, and unconditionally guaranteed as to principal and interest, by the Dominion government.

A few days later Hon. J. A. Robb, minister of finance announced that the government would not authorize the reported offer, and the bonds dropped as low as 62. Since then they have strengthened steadily and are now quoted in London at 72 offered and 71 bid.

One bond dealer who has handled the bonds has expressed the opinion that he interprets Mr. Robb's recent action as an intimation that the government feels itself under no obligation to the holders of the debentures. The debentures rank at best as a third charge on the property and are junior in some cases to six other mortgages. Interest is payable on the debentures only when it is earned, which means that no interest has as yet been paid. One dealer stated frankly that he believed that the government would have accepted this recent offer if they had not intended to dispute their obligation in 1930.

On the other hand there are equally well-informed dealers who believe that in 1930 the government will either pay off the bonds or refund them. One man expressed the opinion that Mr. Robb was justified in turning down the offer made under a Conservative government, because owing to a change in government the information had leaked out previous to an official statement and any advantage the government might have obtained by conversion, had been swallowed up by the rise in price of the debentures. In 1924, E. G. Long expressed his opinion of the stock when he said:

"In regard to payment of principal at maturity, the company is absolutely bound to pay the principal of the debenture stock when it matures on May 6, 1930. If default is made in such payment, the ordinary foreclosure or sale proceedings can be taken by the trustee at the instance of the hondholders, in accordance with and under the terms of the trust mortgage securing the issue.

"This mortgage charges the whole undertaking and railways of the company present and future, including rights of way, terminals, rolling stock, equipment, tolls, income revenues, franchises and all real and personal property. It is a fixed charge on the lines, rights of way, terminals and other immovable property and is a floating charge on the other property covered by the mortgage.

"The income charge convertible debenture stock is not guaranteed by the Dominion of Canada. . . . . from a practical point of view, however, it is an obligation of a company of which the Dominion of Canada is the proprietor through ownership of practically the whole capital stock of the Canadian Northern Railway Company. It is inconceivable that the Dominion of Canada, having committed itself to a policy of public ownership of railways, in which it has invested millions of money, would fail to meet such an obligation of the Canadian Northern Railway Company, when by so doing proceedings could be taken to foreclose the lines covered by the trust mortgage above mentioned. The result appears to be that the holder of the stock has behind it the credit of the Dominion of Canada."

The recent strength of the stock is taken by some dealers as evidence of the ultimate redemption of the issue.

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Let us show you how it is possible to secure the full 5½% on all your surplus funds—with all elements of risk, worry or care in watching conditions or markets eliminated. To the average investor this means increasing your net income by almost 200%.

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Motorist: "Better give me protection to twenty below."
Dealer: "Then you need exactly three pints of Maple Leaf."

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TORONTO, NOVEMBER 5, 1926

SPENDING TO GET TOURISTS

IT HAS been estimated that the tourist business of 1926 will represent $40,000,000 to $50,000,000 new money spent in the province of British Columbia. Vancouver merchants are convinced that tourist business is good business. Many of them find that their summer trade is now better than their Christmas trade. They have contributed liberally to the work of the publicity bureau in advertising that city and province, and believe that they are getting big dividends on this investment. The government of British Columbia is likewise convinced that tourist business is good business, and is making liberal expenditures for the building of roads to facilitate automobile transportation and to otherwise encourage visitors to come to Canada's Pacific coast.

In view of the heavy burdens of taxation—largely the result of war expenditures and war-time prices, together with a check in our national growth due to the world upheaval—there is throughout Canada an urgent demand that public expenditures be curtailed. But in any successful business it will be found that during a period of retrenchment there are certain new expenditures which can be justified in the development of new business. This applies, we believe, to judicious public expenditures to take care of automobile traffic and to provide tourist facilities.

And even more important perhaps than the providing of facilities at public cost is that governmental bodies should endeavor to insure that tourists are given service at fair prices and that every possible courtesy is extended to all visitors. Trade and business organizations can go far in the same direction in their own and the public interest by insisting on a one-price and fair-profit policy on the part of their members catering to tourist trade.

The best tourist advertising that Canada can secure is from satisfied tourists.

INDEPENDENCE IN OIL

IT IS a good thing that skepticism and pessimism do not spread too rapidly, otherwise the development of Canada's natural resources would be seriously retarded. Consider the views held by many easterners in regard the oil development going on in Alberta. It is hard to impress on them that the development is a large and serious one and meeting with a good deal of success. One of these days, it will dawn on many that the hunt for oil on the prairies is really a serious one, involving the expenditure of millions and that the east is contributing but little.

Two very important and recent developments are recorded this week. These are finding of favorable oil indications in two new fields, 200 miles apart, almost simultaneously. This pioneer work is being done by Imperial Oil which must have gambled close to $5,000,000 before it got a cent of return and since has added several additional millions to its investment. The Alberta oil field is going through the same period of skepticism as practically all big fields, but the fact stands out, that results to-date justify every expenditure that has been made and every claims that has been put forth. It may be possible to fool one or two geologists and petroleum engineers but it would be rather difficult to fool the army of these men now working in the Alberta field. One cannot help but feel that the claim that Canada is on the way to petroleum independence is fully justified by the outlook.

GOING BEHIND IN INDUSTRY?

THERE is nothing to boast about in the fact that the number of manufacturing plants in Canada dropped 464 from 1923 to 1924, as is revealed in the latest census of industry prepared by the Dominion government. The decline represents only a small percentage, or 2.05 per cent. of the 22.642 plants that were in existence in 1923, but any decline is to be deplored at a time when Canada should be expanding. Even standing still is going backward in a young country such as this.

The decline in the number of plants was accompanied by a decline in the number of workers from 446,994 on wages to 432,273 and the number of workers on salaries from 78,273 to 76,230. Undoubtedly most of these thrown out of work by the closing of plants found employment across the border.

Why did these plants close? Hasty conclusions arrived at without examination of the figures, industry by industry are likely to be inaccurate but there can be no doubt that at least three causes contributed. One was the scaling down of the tariff. Another was the high burden of taxation robbing industrial executives of initiative. Another was disappointment at the lack of population growth in Canada, making it difficult for small firms in some of our more overcrowded industries to hold a large enough share of the available market to stay in business.

Canada does not want to go behind industrially. Nor does it want its industrial growth to be concentrated in a few well defined fields such as milling, pulp and paper production, etc., where the background of our natural resources assures development, regardless of other and more artificial stimulus. Yet the census seems to show that we are going behind in the smaller general industries. Increase in total production shows that the tendency is to larger plants, employing fewer people per unit of production. The large plants can carry on; the struggle is too hard for the little ones.

AMERICAN CAPITAL WELCOME

IT MUST have been the approach of Hallowe'en that made Arthur Sauve's hair rise in fright at the sight of the hobgoblin of American capital. Mr. Sauve is the leader of the opposition in Quebec. Leader of the opposition is the permanent perquisite of the leader of the Conservative party in that province. Quebec is so Liberal and has been Liberal for so many years that the Conservative leader has a rather thankless job. If anything progressive and gratifying occurs in Quebec, the Liberals, being the government, are right there to take all the credit. If anything goes wrong, as occasionally happens, the modicum of satisfaction in saying "I told you so" that is left for the leader of the opposition is made to shrivel by the indifference of the Liberals, who do not have to worry about the effect of an occasional unfortunate break upon their majority.

Quebec has been getting a lot of big enterprises lately and American capital lately and American capital has been rolling into the province in the wake of far-seeing bankers and industrial operators who think Quebec is likely to prove not only a profitable but a safe place to invest their money. Rightfully enough, the government has felt that it has had something to do with all this good work and there has not seemed to be much opportunity for the opposition to make capital out of it.

Mr. Sauve has found it, though. The other night he was very gloomy on the subject of American capital in Quebec Province. The government should have husbanded the resources of the province to be developed by Canadian capital instead of allowing foreign capital to develop them, said he. He went after American-Jewish capital and British capital in the same breath.

Most Canadian business men are going to find it hard to work themselves into a fever over Mr. Sauve's case. They welcome the enormous water power, pulp and paper and mineral development in Quebec Province, because it is the outstanding evidence of growth in Canada to-day.

It means revenues for the Canadian federal and provincial governments, it means jobs for Canadian people, orders for Canadian factories, new wealth year by year to build up the country. And if American capital and American brains are doing the trick, they are welcome so long as the terms are fair, as regards taxation and complete utilization of natural resources in Canada.

Canada needs men and money and they do not come wearing pumpkin heads.

MAKING MILLIONAIRES

AFTER a hurried trip through Northern Ontario and Quebec mining fields, Courtney Riley Cooper, writer for "Saturday Evening Post," makes the prediction that in the next 25 years this part of the country will turn out more millionaires than the five leading metal producing states of the union. Only pure optimism would carry a writer along to such a stage, but he may be right. We are not aware of the number of millionaires Colorado, Nevada, Idaho, California and Montana turned out, but some idea is to be had of what Cobalt, Kirkland Lake and Porcupine have done and the latter two have only got their millionaire making under way. Cobalt made about 30 millionaires and nearly half of them hailed from the U. S. A few U.S. millionaires stand to double their pile in the Quebec developments as they have substantial holdings in Noranda. Numbered among those having the largest incomes in Canada is the head of Hollinger Consolidated, N. A. Timmins. This mine already has a number of millionaires to its credit, while Kirkland Lake is to be credited with two prospector-millionaires and one other. Quebec does not lay claim to any millionaires as yet, but there are two or three who stand to be millionaires when deals which they have entered into for properties are finally consummated. There are also several others, interested in the field, who, on paper, are millionaires several times over. Their assets for the time are, however, somewhat in a frozen state and may continue so for some time before the million or so expected will reach the liquid state. However, they have ample time to enter this class before the time limit set by Cooper.

GETTING RICH—SLOWLY

HOW to become wealthy looks easy when a retrospective glance is made over the past decade in Canadian business and finance. Any one who invested in a well assorted group of growing Canadian utilities and corporations, each in fundamental industry and in an established field, at any time during the past ten years would have made excellent profits today. Those who have lost are those who speculated; who did not watch the trend in their investments or who tried to beat the market from day to day or from month to month by getting in and out continuously.

There is no reason to assume that the same formula for success will not work in Canadian investment in the ten years of expansion that lie ahead.

Choose the securities of the seasoned companies in fundamental fields; buy them outright; prepare to hold them through temporary ups and downs; watch for long term trends likely to affect them permanently; diversify your purchases and you are certain to make money. And if ten men do that they will have at the end of ten years more money than ten other men taking the opposite tack and speculating.

A PROVINCE OF CHARM

THIS issue features, in a special section, Canada's Pacific Coast province.

British Columbia is indeed an area of great promise. It has charm, as well. That counts in happy living.

Just a few points of interest about British Columbia:

Vancouver now lays claim to being Canada's third city on the basis of population and volume of trade.

Golf was played 362 days out of 365 during the past year at Victoria, according to the records of the Uplands Golf Club.

There is a cannery at Kelowna, B.C., which packed 500,000 cases of tomatoes alone this season.

The town of Kimberley has grown from 200 to 5,000 since the solution of the ore problem of the Sullivan mine.

Sixty car loads of eggs were exported from British Columbia last year.

One hundred car loads of British Columbia grown wheat were exported through Vancouver during the year.

The plant of the Powell River Co. will now produce 500 tons of paper a day; capital investment, $25,000,000.

The Sullivan mine is producing 4,000 tons of ore a day and can do so for 100 years, it is estimated.

A breed of salmon is being developed which will prefer Canadian to American waters to and from the Fraser River.

It is predicted by such business leaders as Sir Herbert Holt and C. S. Macdonald, that Vancouver will become Canada's second city.

DOLLAR FOR PLANT

INVESTORS in industrial companies seldom draw in dividends over half the actual net profits of the business.

There is a real distinction between the profits that a business must earn and the profits which can be distributed to the owners of the business.

Charles M. Schwab once pointed out that for every dollar a company earns to be paid over to its shareholders, it ought to earn one dollar to be invested in the expansion of plant and business. Examination of the records of a number of successful Canadian industrial companies shows this principle, by design or accident, to have worked out as approximately the average practice.

It is necessary in an industrial company to build in strength in this manner. This makes for stability and prepares the company for possible hard knocks. It enables it to keep pace with the country's growth without constant borrowing at high rates. It insures steadiness to dividend distribution.

When investors are inclined to grumble at the conservation of the directors of their companies, as regards dividends, they should go back over five years and see if surplus earnings over that term have been enough to allow the dollar for plant in addition to each dollar they have received in dividends.

EDITORIAL NOTES

"AL" SMITH'S star rises again.

* * *

BACK to the kitchen for "Ma" Ferguson.

* * *

THIS IS APPLE week and a bad week for doctors.

* * *

NEWSPAPERS naively remark that the Belgian-Swedish royal wedding is to be democratic, and they record the fact the bride and groom will travel in state or battleship.

* * *

STALIN, labelled the new power in Russia, aims at stopping communistic propaganda activities in other countries. Let's wait and see how long Stalin lasts.

Chief Economic Features St. Lawrence Waterway

Fourth of a Series of Articles on

Canada's Inland Waterway

By KENNETH WILSON.

FIVE miles of docks along the American shore of Lake Superior! A train of steel cars loaded with iron ore. The car bottoms are turned aside and simultaneously the 16 gaping hatches of the waiting steamer are filled. 10,000 tons of iron ore loaded in less than an hour and a half, at a cost of less than three cents a ton! A few days later a huge clamshell scoop, capable of holding ten tons of ore, empties the hold, while simultaneously the return cargo is being poured in, and the freighter is ready to start on her northward journey. Such is the romance of commerce on the Great Lakes and so successfully have time and expense been minimized that shipping charges there are the wonder of the commercial world. For some kinds of freight the cost of transporting a ton from Buffalo to Duluth is only 85 cents and railway competition has been entirely eliminated. One steamship company alone owns 108 vessels, whose total length if put in one line would be over eight miles! Such facts capture the imagination of those who turn to the Great Lakes-St. Lawrence waterway for the solution to their transportation problems.

AT THE present time the Lakes to the Sea highway drops abruptly in importance at the Eastern end of Lake Erie. Between there and Montreal, the 14-foot waterway blocks the heavy commercial traffic that might be otherwise expected. The new Welland ship canal with its 25 ft. draft, which will be ready in 1930 will open the waterway as far as the St. Lawrence river, and then the only remaining gap will be the 180 miles between Prescott and Montreal. It is this shallow part of the St. Lawrence that is at present engaging the attention of our leading engineers and economists, and which constitutes a problem of primary national importance both to Canada and the United States.

Traffic Now Chiefly American

From the outset there should be no misunderstanding as to who uses the present waterways. Taking statistics for both the Canadian and American canals at Sault Ste. Marie, we find that out of a total traffic of 67,000,000 tons carried in 1922 (a fairly average year), only 15 per cent. was of Canadian origin—the other 85 per cent. being, of course, American. Due to the difficulties of passing through narrow channels and old-fashioned locks and to a restricted depth of at best 14 ft., there is comparatively little traffic below Lake Erie. Last year, the total traffic through the St. Lawrence canals was about 6,000,000 tons, and through the Welland only 5,000,000 tons, a mere fraction of the commerce carried on in the Upper lakes. Sixty-eight per cent. of the traffic was of Canadian origin.

From a purely economic viewpoint, the future of the Great Lakes, St. Lawrence waterway, seems encouraging, so far as U. S. A. is concerned. Three years ago the United States were faced with the necessity of providing between one and two billion dollars' worth of railway equipment per year, over a varied period of years, in order to cope with the increasing demands of commerce. In order to relieve railway congestion in the United States, it is apparent that the St. Lawrence waterway would be of material value since 40 per cent. of the people live and 50 per cent. of the industrial activity of the United States is being carried on, in the area tributary to the Great Lakes and the St. Lawrence. Furthermore, since the war, export trade has doubled and import trade has trebled without any proportionate increase in the facilities of transport.

Canada's Problem Different

Canada, on the other hand, presents an entirely different problem, the facts of which are so obvious that they will hardly bear repetition. A population of approximately 9,000,000 people stretched in a thin line across 3,000 miles of country and literally held together by the steel rails of two transcontinental railway systems. These railways are in good physical condition, and quite adequate to the needs of a limited population. Still, for both our railways, the waterway would seem to be of material advantage, especially during the heavy seasonal movement of grain when freight cars are at a premium for the eastbound haul. The point is, of course, that anything that will develop Canada commercially and numerically, must be of direct benefit to us and our railway system.

Terminal Accommodation Needed

Another phase of the traffic problem is terminal accommodation. Both Canada and the United States require more terminal facilities. Montreal is badly handicapped in the fall for lack of equipment, and neither Prescott or Kingston have any accommodation whatever. In the near future Canada will be faced with an imperative need for additional facilities, but in order that she may know where to build them, she must first of all settle the St. Lawrence waterway problem.

In the United States, the situation is even more acute since practically everything pours in or out of the country through the narrow and ill-equipped bottle-neck at New York. Thus they too will need to know the answer before they can find a permanent solution to a very vexing problem.

Then again, both Canada and the United States are desirous of developing the enormous power potentialities of the St. Lawrence, but until the navigation future of the river is settled, there can be no extensive developments of an international character. If these countries decide against deepening the St. Lawrence, the way will be open to proceed with power development for any possible navigation developments in the future.

Will Ocean Vessels Come?

Assuming that the waterway is completed, will ocean vessels ply their way up and down the Great Lakes? Perhaps no question has caused so much controversy as this one; indeed at times the whole fate of the project seems to depend upon the answer to it. The great bulk of the world's commerce is done by tramp steamers which are as a rule slow, independent carriers, which move restlessly among the world's markets wherever they can find a cargo. On the Great Lakes, experience has developed a type of vessel that is second to none in efficiency, whether it be in port or at sea. Although at present these lake vessels are unseaworthy on the ocean, and are quite unsuited to ocean traffic, it is quite possible, that a composite type of vessel may be developed in the future which could work efficiently on the lakes and be seaworthy on the ocean as well. That tramp steamers will make the 10-day journey to the head of the lakes seems improbable, since at most seasons of the year there would be only a one-way haul, and time alone will tell whether or not the added length of journey will be profitable. By far the most probable solution seems to be that the super-efficient lake ves-

(Continued on page 11)

POST-Scripts

ILLUSTRATING how difficulties encountered in connection with working out plans for placing settlers on improved lands in Western Canada, Ralph C. Duncan, assistant manager of the Canada Colonization Association tells the following story on the importance of getting the other fellow's viewpoint.

"A man lost a mule. He exhausted every effort in his attempt to recover the mule, and he finally resorted to an advertisement in the local paper offering $10.00 reward to anyone who would return the mule. The next morning he was confronted with a big black nigger leading the mule. He paid the reward, but was curious to know how the nigger found the mule. 'Well, Ah'll tell you, Boss, how Ah found dat mule. Ah went and Ah stood in de place where dat mule was last seen, and says to myself. If you was a mule, where would you go? And Ah went there and found e mule'. "

C. O. SMITH, editor, Calgary Herald. writes an interesting story on "The Grave of Twelve-foot Davis," a story of the Klondyke rush:

"The story of his peculiar name is that this frontiersman joined the Klondyke rush. When he got to a certain creek, the object of his search for gold, he found all the more promising claims staked, all but a strip twelve feet wide between two of them, which no one else thought worth taking. Davis took it, and it proved to be surprisingly rich.

"He and Colonel Jim Cornwall entered into a pact. Each agreed that if the other died first, the comrade's body would be taken and given decent burial on a point overlooking the confluence of the Hart, the Smokey and the Peace Rivers. Davis died first. He was buried at Slave Lake. Cornwall later took his friend's body to the chosen resting place. There lies the grave, 1,000 feet above the Peace, a vantage spot from which may be seen one of the most glorious panoramas of natural beauty this country possesses.

"From the Rockies in the West the majestic Peace sweeps onward to the north. Immediately below the Smokey and the Hart pour their waters into its receiving stream. The rich land stretches away as far as the eye can see, so much of it still untouched by the productive hands of men.

"The inscription on the stone above the grave, a stone that looks like a bit of one of the trees of the north that Davis loved so well, says:

H. F. DAVIS
Born in Vermont, 1820
Died at Slave Lake, 1893
Pathfinder, Pioneer,
Miner and Trader.
He was Every Man's Friend and
Never Locked His Cabin Door.

"It is a plain grave and a simple tale, but the two suggest all the love which the country inspires in those who know it, and the loyalty and devotion and friendly helpfulness of those who have pioneered in it.

Knowledge v. "Hunches"

The difference between the speculator who profits and the one who doesn't is that the former buys or sells on actual knowledge of values and the other on "hunches" or "tips".

If you are interested in any listed or unlisted security, we will supply you gratis with information that will enable you correctly to estimate its value.

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IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

By so doing you incur no expense whatever, and place yourself under no obligation to us.

Correspondence Invited.

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BANK OF TORONTO BUILDING
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THE average large advertisement in a newspaper or periodical can, with good judgment, be made just as effective by reducing the space from 10 to 20 per cent.

--to say nothing of the saving in expenditure.

Send me a few of your larger advertisements for constructive criticism.

If I can prove to your satisfaction that space can be saved without sacrificing effectiveness—even increasing it, perhaps—you may be disposed to do business with me to the ultimate profit of yourself and myself.

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Canadians are in a comfortable financial position. The aggregate savings deposits in all our banks from coast to coast now amount to $1,343,000,000. This is more than $80,000,000 larger than a year ago, and exceeds all previous records in Canadian history.

Canadians have also been investing in Canadian Government, Municipal and Corporation bonds at the rate of approximately $250,000,000 per annum. It is estimated that interest and dividend payments during October from the past investments amount to over $50,000,000. The problem of satisfactorily investing accumulating and incoming funds is, therefore, a very important one.

To those who would conserve their funds and have them bring in certain and regular incomes, we shall be glad to send a well diversified list of investment suggestions.

Inquiries invited.

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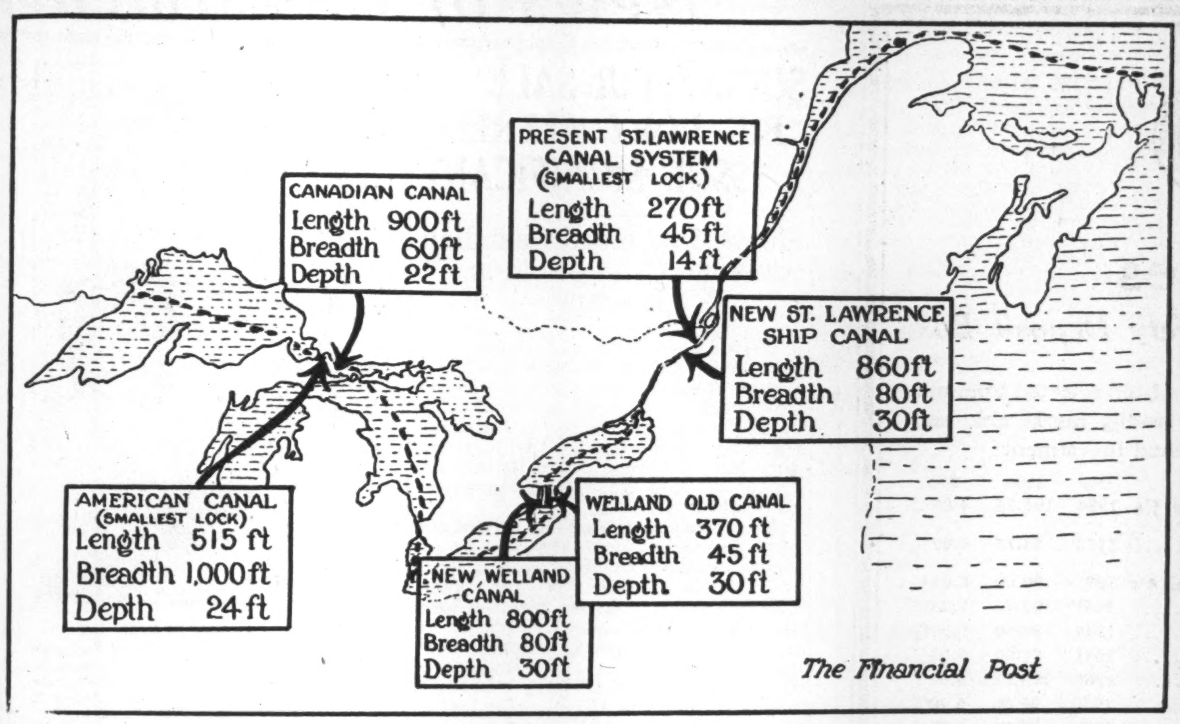
Canada's Great Inland Waterways: To-day and To-morrow



This chart shows the limitations in size of the present connecting links between Canada's upper lake ports and the ocean and also how the new Welland Canal and the proposed St. Lawrence waterway will make it possible for larger boats to utilize the Great Lakes-St. Lawrence water highway.

INVESTMENT holders of securities in the following Companies:

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will find our analytical reviews of interest. Copies will be sent on request.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Border Cities Realty

Being a subscriber to your valuable paper I would appreciate your opinion on the Border Cities seven per cent. first mortgage bonds of which you are no doubt familiar.

We consider the United Bond Company reliable and its offering of Border Cities Realty 7% mortgage bonds as a reasonably well secured investment.

Traders' Finance

I hold some stock in the Traders' Finance Corporation, Canada, and I have just received from them communication in which they state that they are consolidating the Traders' Finance Corporation, Winnipeg, and the Traders' Finance Corporation Canada, into a new company called the Traders' Finance Corporation, with a Dominion government charter. I would appreciate very much if you could give me some information which would help me in deciding whether to take up the new allotment of stock or not. The new charter would cover a considerable increase in capitalization.

In order to carry on business under a Dominion charter, the Traders' Finance Corporation have merged the provincial companies operating in Manitoba and Ontario under that name, and have announced a consolidation of the capital structure.

An underwriting group which consists of directors of the company has been formed to take over any of the preferred shares which are not taken up by the shareholders. According to W. W. Evans, president of the Toronto company, the position of the shareholders remains unchanged, the holders of Winnipeg preferred will still get an 8 per cent. stock and the Toronto shareholders a 7 per cent. return.

The companies are already affiliated and as the stock issue of the company is underwritten by the directors there should be no danger of the market being saturated by the sale of shares below the official valuation (as in the case of some companies).

The move seems to be in the right direction and it would seem desirable for shareholders to make the exchange.

Peace River and Brooks

Will you give me your opinion of Brooks Steam Motors, of which Mr. Brooks is manager, and of Peace River Petroleums, of which W. C. Goffatt is manager?

I have five units of Brooks Steam Motors about half paid for and 600 shares of Peace River Petroleums stock. Would you advise holding the shares in these companies?

The difference between Brooks Steam Motors and Peace River Petroleums is that you are sure you have lost your money in Peace River Petroleums. The company was wound up a few years ago. They struck some gas and some oil, but not enough to carry the company. Oil drilling in Alberta has proven to be a millionaire's game. A single well costs around $70,000 or more and most of them prove to be dry. Imperial Oil spent $5,000,000 before it got a cent back and has plunged a few millions additional since. Imperial Oil looks now to have a possibility of getting something back.

The cards were stacked against Peace River Petroleums. It never had a chance; it was running on a shoestring. A lot of money was put up by investors but too much of it went to promoters.

W. C. Goffatt is still in business. He is selling units of some kind in an oil proposition in the States. No doubt he made a sincere enough effort with Peace River Petroleums. It was probably as good, anyway, as the stuff he is selling now.

Brooks Steam Motors does not appeal to us at all. We feel that people who buy its shares are paying too much for what they get. You would not pay $10.000 for a Ford car. Yet at $600 the Ford is a fine car and does what most people expect of it. Why pay $135 or thereabouts for a unit of Brooks Steam Motors when you can pick up dozens of equally promising speculations at a fraction of that?

You ask our opinion of Oland J. Brooks. Well, he's clever, forceful, fairly far-sighted, and a great salesman. Just the same we recommend against his Brooks Motor units.

Registering Bonds

As a subscriber to your paper, would you kindly answer the following questions for me?

1. Are bonds safe in a safety deposit box in a bank?
2. Is there any way of insuring bonds, so that if they are lost or stolen a man could get their full value?
3. Do you think it is a good plan to register all bonds and shares?
4. Are registered bonds absolutely safe? I have $9,000 worth of bonds in a safety deposit box. Some of these are registered.

The safety of bonds in a safety deposit box depends upon the equipment that the bank or institution provides. The bank is only legally liable for the outward protection of the box, that is to say any burglarizing of the safe which contains the securities. Safety deposit vaults have a very high degree of safety. There is no better place to keep securities.

There are three ways of insuring securities.

Safe deposit insurance. This must be taken out by the holder of the box if he wishes to protect himself over and above the protection which the bank or institution affords. The cost depends upon the quality of the protecting equipment;

If the bonds or securities are held by a business man and are kept in his vault, he can get safe burglary insurance;

If the bonds are kept in a private residence they may only be insured up to the value of $50.

The pros and cons of registrations are as follows. If a safe place of deposit is available and the holder contemplates sales or exchange from time to time, it would probably be as well to have one's securities in the form of bearer bonds. Bond dealers advise this because if an exchange is to be made, it takes from seven to ten days to change registered bonds to bearer bonds in order to make them readily saleable. On the other hand, if no exchange is contemplated and the bonds are being kept in a private residence it would seem very good policy to register them. There are two forms of registrations for bonds, either registration as to principal and interest or registration as to principal alone. The latter is the most common among industrial firms, and the former is an optional privilege on most of the Dominion war loans. In both cases this is optional. From a legal point of view it is often advisable to register bonds, because if they are given as security, registered bonds can always be identified by their owner in case of litigation. Most shares are registered and, if so, there is usually complete registration, which means that dividends are sent direct to the shareholder whose name appears on the books of the company. In this case, if the shares are transferred, a power of attorney is given and attached to the back of the shares. When bonds are registered as to principal and interest there is the added advantage that interest is sent to the owner by cheque, and there are no bonds to be clipped.

The safety of registered bonds depends largely upon the factors which have been discussed above. If the bonds are registered only as to principal and they are lost, the finder can clip the coupons as they mature, but the rightful owner can prevent repayment of the principal. If they are entirely registered there is no possibility of loss, as interest is sent directly to the owner.

Two Bond Issues

A client of ours is thinking of investing some surplus funds in the following:

Canada Northern Power Corp., Ltd., 6½ per cent., 15-year sinking fund collateral trust bonds.

The National Debenture Corporation, Ltd., 5½ per cent. sinking fund collateral trust gold bonds, maturing May 1, 1946.

We shall be obliged if you will advise use as to your opinion on these bonds.

Canada Northern Power bonds, the collateral trust issue, have merit and are a reasonably good investment around their offering figure.

National Debenture Corporation bonds are in the nature of an investment trust issue. We would consider that the safeguards provided give satisfactory protection to the investor. The yield is not high, but, of course, the security will be well diversified, which is important.

An Excellent List

I would appreciate very much if you would give me advice regarding the security of the following list of investments I hold:

$1,000 Imperial Japanese, 6½ per cent., due 1954, price 969.92.

$500 Canadian National Railway, 5 per cent., due 1954, price 99.50.

$1,000 Government of Argentine, 6 per cent., due 1959, price 97.

$1,000 City of Edmonton, 5½ per cent., due 1952, price 101.50.

$1,000 P. Burns & Co., Ltd., 6½ per cent., due 1943, price 104.50.

$500 British Columbia Railway (preferred shares) 6 per cent., price 99.

$1,000 Canada Western Flour, (preferred shares) 6½ per cent., price 101.60.

$1,000 Gatineau Power Co., 5 per cent., price 94.50.

$1,000 Canadian Biscuit Co., 6½ per cent., price 100.50.

Could any of these be placed to better advantage for re-investment?

Your investments are of an uniformly high type. The only changes that suggest themselves would involve selling some of them to invest in securities returning a higher yield, but this would involve loss of some security and is not to be recommended without thorough knowledge of all circumstances.

Japan and Argentina bonds are regarded as among the highest type foreign bonds.

The C.N.R. bonds bear government guarantee and are absolutely safe. Edmonton municipals are now good.

P. Burns, Gatineau Power, Western Canada Flour and Canada Biscuit are excellent, well-managed, business enterprises. British Columbia Electric Railway is sound and progressive and its securities safe.

Chief Economic Features St. Lawrence Waterway

(Continued from page 10)

sels will ply up and down the lakes between Montreal and Lake Superior, and that at Montreal, there will be a trans-shipment on to ocean tramp steamers.

Another vital problem, and one which is intimately connected with the probable type of vessel that would be used, is the whole question of freight rates. Here again the matter is at present only an academic one because for every freight rate on any commodity there are upwards of a thousand contributing factors that must be considered. The most authoritative statistics that have yet been completed are those prepared by A. W. McLachlan, a member of the Joint Engineering Board that is about to publish its report on the St. Lawrence waterways. He analyzed data collected from shipbuilders in 1922, and offers, what he claims to be, authoritative information as to rates between Liverpool and Fort William, under all conditions. His cargo is grain, and the results may be summarized as follows:

COST OF TRANSPORTING GRAIN BY VARIOUS ROUTES AT DIFFERENT SEASONS OF THE YEAR.

	Cost of Transportation Per Ton		
	May 1st to Aug 31st	Oct. 1st to Oct. 30th	Nov. 1st to Nov. 25
Fort William to Liverpool—			
1. Under present conditions—			
Via present system of canals	6.25	$6.38	$6.63
Via Port McNichol and Montreal	6.61	6.74	7.00
Via Buffalo and New York	6.30	6.38	6.45
2. New Welland ship canal but without enlargement of St. Lawrence canals	6.00	6.10	6.32
3. New Welland ship canal and St. Lawrence canals improved for 25 feet—			
(a) Tramp steamer—Fort William to Liverpool	4.24	4.37	4.47
(b) Transferring from lake freighter to ocean tramp at Montreal	5.04	5.14	5.37
(c) Transferring from lake freighter to ocean tramp at Quebec	5.01	5.08	5.29
(d) Transferring from lake freighter to ocean tramp at Sydney	5.00	5.12	5.23

Mr. McLachlan's method is sound, but his primary condition is that "other things must be equal," and since in this field other things seldom if ever are equal, the difficulty of offering authoritative data is very apparent. Take for example, this year's experience at Montreal. Canada's 1926 wheat crop was beginning to pour over to the Atlantic seaboard. The storage facilities at Montreal were filled to capacity, but still the grain kept pouring in from the West. Montreal harbor became congested with upwards of 30 to 50 grain boats, seeking to unload their golden cargo. Why were there no ocean freighters to ply their way across to a waiting Europe? The answer is obvious to all who have followed recent events. The British coal strike was causing all available ocean tonnage to seek American ports to bring coal across to Britain. Instead of bringing British coal to Canada and returning to Europe with a load of Canadian grain, the boats all gravitated to the United States where they were sure of a cargo both coming and going. "Normal" rates (if there is such a thing) were useless to attract tonnage to Montreal and during any season or period of the year, there may be equally upsetting factors in different parts of the marine world, to spoil the best laid plans of tramps and shippers. There are few men who feel capable of prophesying what the new rates would be in the event of a deep waterway up the St. Lawrence.

Investing Corporation Reserves With Profit and Security in View

An industrial concern has asked The Financial Post for suggestions as to the investment of $25,000 reserve fund under the following conditions:

"We have built up a reserve fund to a point where it is now about equal to the capitalization of our company. This fund is invested chiefly in Dominion government bonds. We believe we would now be justified in investing further surplus which might accrue in bonds or stocks with good security, but offering a little greater opportunity for appreciation in value. We would still, of course, put security as a first consideration."

In connection with this inquiry leading investment houses were asked to submit suggestions which will be passed on for consideration. A number of suggestions were summarized in last week's issue for the benefit of other readers. The following further suggestion has been received:

Citizens' Bond Corporation, Toronto: In our opinion any corporation which has built up a reserve fund equal to its total capitalization, and invested all such funds in Dominion of Canada bonds, can not only afford to invest any additional reserve in higher yielding securities, but should possibly, in justice to its shareholders, endeavor to place half of its present reserve in bonds returning a better rate than that at present being obtained.

On any additional reserve to be created we believe a minimum of six per cent. should be obtained: the cardinal points of such investment to be as follows: Security, marketability, present return and possible appreciation. These points are arranged in the order of their importance.

As security is the paramount feature, only issues of established corporations with a substantial record over a period of years should be considered.

It has been our experience that the marketability of the majority of securities for the first year or so after their issue, depends largely upon the organization and integrity of the issuing house. We would, therefore, for an investment of this nature, recommend well seasoned bonds which have been on the market for a number of years.

Present return, as previously stated, should average at least six per cent., which rate alone should allow for a certain amount of appreciation in the event of better business conditions or a general reduction in interest returns.

Taking these matters into consideration we would suggest the consideration of securities, such as the following:

Robert Simpson Co., Ltd., 6 per cent. preferred shares; price, 100⅞. to yield 5.95 per cent.

These shares rank second only to $2,000,000 first mortgage bonds, and rank prior to all the common shares against which there are at present issued $5,600,000 Simpson's, Limited, bonds.

Calgary Power Company, Ltd., 5 per cent. first mortgage bonds, due January 1st, 1940. Payable Canada, London or New York. Price: 90.41. To yield: 6.05 per cent.

These bonds were issued in London, Eng., in 1910, and are listed on the London Stock Exchange. Callable at 105 or redeemable at this price on liquidation.

Maple Leaf Milling Co., Ltd., 6½ per cent. first mortgage bonds, due August 1st, 1943. Price: 104.74. To yield: 6.05 per cent.

Originally issued in 1923. Earnings average over three times bond interest.

Rio de Janeiro Tramway, Light & Power, 5 per cent. first mortgage bonds. Due January 1st, 1935. Price: 94.70. To yield: 5.80 per cent.

This company is owned and operated by Brazilian Traction Light & Power Co. Bonds, issued in 1905. Listed on London Stock Exchange.

William Davies Co., Inc. 6 per cent. first mortgage bonds. Due November 1st, 1942. Price: 94.60. To yield: 6.50 per cent.

Originally issued in 1922. Callable at 105. Interest earned more than twice over.

Probably other issues which deserve favorable consideration, and for which, although issued in recent years, an established market is maintained are: Fraser Co., 6's, 1950, to yield 6.20 per cent.; East Kootenay Power, 7's, 1942, to yield 6.50 per cent.; Belgo-Canadian Paper, 6's, 1943, to yield 5.85 per cent.; Canadian Canners, 6's, 1950, to yield 6.15 per cent., and Winnipeg Electric 6's, 1954, to yield 6.10 per cent.

As will be readily seen, if an equal amount were invested in each issue the average return would be in excess of six per cent.

Investment Recommendations

The current issue of our publication *Investment Recommendations* gives particulars of a diversified range of investment securities.

The prices and yields of these securities are attractive and in each case the investment is backed by adequate property value and earning power.

A copy of *Investment Recommendations* will be forwarded to you upon request.

Royal Securities CORPORATION LIMITED
164 St. James Street
MONTREAL
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

November Bond List

This List describes a broad selection of Canadian Government, Municipal and well secured Corporation Bonds, with interest returns ranging from 4.75% to 6.50%. It also includes a number of Odd Amount Bonds which are offered at particularly attractive prices.

Copy will be gladly furnished upon request.

Write to
36 King Street West,
Toronto, or
Telephone Elgin 4321

Wood, Gundy & Co.
Limited

5½% Interest Return

INVEST YOUR SAVINGS
in a 5½% DEBENTURE of The Great West Permanent Loan Company

SECURITY

Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE NATIONAL CITY COMPANY CANADA

Sound Values

for your Safety Deposit Box

The following Bonds which have been selected from our current list are high-grade and readily marketable and bear our recommendation for sound investment:

Issue	Due	Price	Yield
Dominion of Canada Guaranteed 5's (Issued by Canadian National Railways)	1954	101.75	4.86%
*†Republic of Haiti (External) 6's ..... (U. S. A. Customs Administration)	1952	98.75	6.09%
*†Imperial Japanese Govt. (External) 4's	1931	90.00	6.08%
*†Kingdom of Italy (External) 7's	1951	92.75	7.68%
Canadian Pacific Railway 4½'s......	1944	94.00	5.00%
†Canada Steamship Lines 6's........	1941	97.00	6.30%
†Duke-Price Power Co. 6's...........	1966	103.25	5.80%
†Gatineau Power Co. 5's..............	1956	94.00	5.40%
†Montreal L. H. & P. Cons. 5's.......	1951	99.50	5.03%
†International Paper Co. 6's..........	1941	98.00	6.20%
†Penmans Limited 5½'s..............	1951	Mkt.	5.55%
†Price Bros. & Co. 6's.................	1943	103.25	5.70%

* Listed on New York Stock Exchange.
† Principal and Interest payable in New York Funds.

The above securities are offered subject to prior sale and change in price. Complete information regarding any issue and a copy of the November edition of our publication "Investment Securities", containing a widely diversified list of offerings, will be forwarded upon request.

Write our nearest office

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC

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Changes in Investment House

Williams, Partridge & Hodgson, Ltd., announce that James T. Quinlan has resigned from the firm to go into business on his own account. Winfield P. Rapley, at present assistant manager of the Canadian Bank of Commerce, Montreal, is joining the firm on January 1, 1927, as vice-president, after which date the business will be conducted under the name of Williams, Partridge & Rapley, Limited.

Calgary, Alberta
Stocks, Bonds, Grain & Oil Leases
Carlile & Farr Ltd.
Private wire to all markets.
Correspondents of Logan & Bryan.

K. H. Kompfe & Co.
Investments
330 Bay St. Toronto *Adelaide 3331*
Dom. Savings Bldg., London *Telephone 8077*

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

Bits About Bonds

Discussing National Debenture Corporation, their new investment trust, G. A. Stimson & Co. say:

"An investment trust provides the opportunity for co-operative buying of securities. The accumulated funds of moderately circumstanced investors, in many instances, are placed to advantage in securities too costly for the average individual. The $500 of William Jones will not purchase certain profitable securities, all alone, but, when it it is combined with John Smith's $700 and Fred Brown's $1,200 and others, the combination is in a position to obtain a valuable security at the rock-bottom price. One investment of $500, however important it may be to the individual, is but a flea-bite on the market. A number of $500 amounts have some weight and command respect. It is the function and purpose of The National Debenture Corporation to effect such combinations of capital, large and small, and give the investors a regular, stipulated return with the element of risk so minimized as to be practically negligible.

Due to the recent revision of the Dominion income tax, it is now—more than ever before—to the advantage of many holders of tax-free bonds to exchange their holdings for taxable securities. In fact, it is now economical for even those with substantial incomes to exchange their tax-free bonds, say Wood, Gundy & Co.

For example, on the basis of to-day's market victory bonds due 1937 (tax-free) can be sold at approximately 107.25 and interest, which represents about 4.65 per cent. interest basis. An investor with a taxable income of $5,000 would require to receive an income from taxable securities of only 4.79 per cent. to put himself in the same relative position so far as income is concerned. Any return in excess of 4.79 per cent. would accrue to the advantage of the investor.

Similarly, an investor with a $10,000 taxable income would require to receive only 5.05 per cent. from taxable investments and anything in excess would accrue to his advantage. Corresponding advantages may be derived by holders of 1933 maturity victory bonds, now quoted at about 104.25.

New Ottawa Apartment; No Public Bond Issue

New five storey apartment called the Strathcona is to be erected in Ottawa at the intersection of Laurier St., E. and Golbourn Ave. The project is being promoted by the same interests who built the Ellis Park apartments in Toronto, and the Mountain View in Hamilton. The new structure will have 325 rooms and 84 housekeeping suites and will be of semi-fire and sound proof construction. The estimated cost of the building is $750,000 and it is expected it will be ready for occupancy about May 1, 1927.

The capitalization of the company which owns the apartment is as follows: $100,000 of 7 per cent., preferred stock; 1,000 shares of no par value common stock; a first mortgage of $375,000 which has been taken up entirely by an insurance company; and a junior security in the form of a 7 per cent. general mortgage amounting to $200,000. The first mortgage loan against the apartment is said to be fairly conservative, amounting as it does to about 29c. per cu. ft. There is a $200,000 surety bond for completion, and within a week after the project was announced the promoters received about 500 enquiries from prospective clients. There is to be no public offering of the bonds or stock. The second mortgage is being held by the promoters and subscribed for almost entirely by the firms engaged in constructing the apartment. The Godson Building Company, of Toronto, is erecting the building.

Cockshutt Plow Expands

This week at Edmonton Cockshutt Plow Co. took out a permit for a $20,000 addition to their warehouse. The building will be two storeys in height and cover an area of 50 by 70 feet. It will be of brick construction. The contract for this structure has been awarded to H. G. MacDonald, while architectural work will be carried out by W. G. Blakey.

News of Investment Markets

SUCCESSFUL SALE BIG PORT ALFRED ISSUE SIGNIFICANT

Shows That Good Canadian Issues Can be Sold in London

Port Alfred Pulp and Paper Corporation's issue of $2,000,000 of preferred stock in the London market this week was significant not only of the growing interest in Canadian securities there but of the high regard that is developing in Britain for Canadian pulp and paper issues in particular.

The issue consisted of $2,000,000 of 7 per cent. cumulative preferred shares similar to the issue offered in Canada earlier in the year. The Canadian issue was offered to the public at 99, with a bonus of 1/10 share of common stock with each $100 share. The issue as in Britain was made at 98½ without a bonus of common shares. Cables indicate that 60% of the issue was immediately taken up. The balance will remain in the hands of the underwriters, Wood, Gundy & Company and Andrew Holt & Company, who will continue to distribute it. No difficulty is anticipated in placing the entire issue in sound investment hands.

Total is Now $6.000,000

This issue brought the amount of Port Alfred preferred outstanding to $6,000,000 and the total capitalization at present to the following figures:

First Mortgage Bonds	$5,042,500
Serial notes	1,000,000
Preferred stocks	6,000,000
Common stock	60,000 shs.

This is not the final set up. Further bonds will be sold in Canada to bring the total amount outstanding to $8,000,000. This will complete the financing of the present construction programme.

Newspaper Opinions Favorable

Cables received by the Canadian head office of Wood, Gundy & Company record that British newspapers, which are given to opinionative comment upon all new financing of this type, were very favorable and supported the new issue.

The Daily Sketch pointed out that it had frequently drawn attention to the Canadian pulp and paper industry, which it considered an excellent field for investment.

The Daily Express stated that with the prospects of continued prosperity in the industry, the Port Alfred Corporation should afford good scope for investment.

The Financial Times emphasized the desirability of British interest in the Canadian pulp and paper industry in preference to American control, and remarked that when undertakings come out under such good auspices as the Port Alfred issue the opportunity of supporting them should not be lost.

The Daily Sketch refers to the ever growing demand for pulp and paper in Great Britain and across the Atlantic and predicts a ready response to the Port Alfred issue. mentioning its association with Sir Herbert Holt and others prominently identified with the Canadian paper industry.

Canadians Allotted Big Blocks Inter. Paper Issue

Evidence of the desire of the International Paper Company to have its true international status strengthened and recognized is to be found in the action of the company in reserving for the Canadian market a large block of its recent issue of convertible debentures. These were offered last week by a strong syndicate of six Canadian houses, headed by Harris Forbes and Company, Limited.

Debentures were offered at a price that yielded the investor 6.20 per cent.

$25,000,000
International Paper Company
6% Convertible Gold Debentures

Dated Oct. 1, 1926. Due, Oct. 1, 1941

Company—world's largest manufacturer of paper, operating 21 mills and 600,000 h.p. of water power.

Valuation—Book value of capital assets $125,000. Equity behind debt represented by stocks with market value over $55,000,000

Purpose—To reimburse company for expenditures on development

Earnings—Average for 10 years to December 31, 1925, $10,844,457, or 2.7 annual interest requirements of company.

Capitalization		
Funded debt	Authorized	Outstanding
Divisional bonds and Mortgages	Closed	$5,086,100
1st and ref. mtge, 5%, 1947	Closed	18.036.000
Ref. mtge. 6%, 1925	*	22,028,000
6% com. deben.	$25,000,000	25,000,000
* Printed in deed		
Capital Stocks:		
Preferred, 6% and 7 %	125,000.000	31,820.000
Common (no par)..	1,000.000 shares.	500,000 shares.

Convertibility—Convertible on or after April 1, 1927, into 7% cumulative preferred at par. If converted before October 1, 1928, holders may purchase common stock at $50 per share at the rate of one share per $1,000 of debentures

Offered—October, 1926, by Harris, Forbes & Company; Drury & Company; Wood, Gundy & Co.; Royal Securities Corp.; A. E. Ames & Co., and Dominion Securities Corp. Price 98, yielding over 6.20%.

Dominion Stores Sales May Attain $16,000,000

Gross sales of Dominion Stores, Ltd., for the third quarter of the year totaled $3,781,018. Sales for the first nine months aggregated $10.843,707, compared with $12,616,588 in the entire year of 1925. It is noteworthy that the final three months are the most active of the year, and if the average monthly sales are $1.718,764, the year's total will come to $16,000,000, the objective set by the management. The average sales during the third quarter were $1,290,339 per month.

During the past three or four weeks the company has opened six stores in the Montreal territory, including stores at Montreal and Ottawa. Steady improvement is reported in all territories.

H. CARSON FLOOD,
Formerly of Nesbitt, Thomson & Co., who is senior partner in the new investment house of Flood, Barnes & Co., and the new stock brokerage house of Flood, Potter & Company.

B.C. BOND DEALERS TO GET AFTER CROOKS

Will Consider Ways of Combatting Stock Crook Evil—B.C. Municipal Finance Sound

At the annual meeting of the British Columbia Bond Dealers' Association held in Victoria recently, considerable satisfaction was expressed by the dealers in municipal securities at the healthy condition of municipal finances generally within the Province of British Columbia.

The difficulties of the period of over-inflation of real estate, and the whole-hearted manner in which communities had successfully faced the problems involved were a matter of comment. The view was definitely expressed that British Columbia's record of financial municipal soundness was second to none on the North American continent.

Some discussion occurred with reference to succession duties, and the hope was expressed that more rapid progress would be made in the inter-provincial discussions that were occurring with the view of obviating double succession duties in Canada.

At the dinner held subsequent to the meeting, Robert Baird, inspector of municipalities, spoke in appreciation of the co-operation which existed between the municipal councils and bond dealers.

E. D. Johnson, deputy minister of finance, addressed the association in general terms with reference to provincial government financing, and spoke of the satisfaction with which the development of Vancouver and Victoria as financial centres was regarded.

The 1926-27 executive was instructed to consider methods to curtail the loss to the public which was being occasioned continually by stock operators working within the province.

The following were elected: President, A. Lyons, Victoria; vice-presidents, H. E. Boorman, Victoria; E. B. McDermid, Vancouver; executive committee, A. M. Brown, R. P. Clark and C. G. Blair, of Vancouver, and J. H. Gillespie, H. A. Ross and C. V. L. Branston, of Victoria; honorary secretary, J. B. Stevenson, Vancouver.

H. C. Flood Senior Partner in Two New Investment Firms

Two new financial houses opened up for business this week in the Insurance Exchange building, Montreal. These are Flood, Barnes & Co., Limited, investments, and Flood, Potter & Co., members of the Montreal Stock Exchange.

H. Carson Flood, senior partner of both these firms, has been intimately associated with financial operations in Montreal for some years and is widely known. K. S. Barnes is his partner in the investment firm and T. G. Potter in the stock brokerage firm. Both are well known, having been associated with their respective lines of business for some years.

The stock exchange firm will have its direct wire to the New York market through Pynchon & Company. This house has specialized in Canadian bonds and securities for some time past. In addition, it has had its wire connections throughout all provinces of the Dominion. Both the new houses open up with important connections not only in New York, but also in London, Paris and all other financial centres of the world.

Winnipeg Electric Profits Up

Continuation of improvement in earnings over last year is indicated by the Winnipeg Electric Company in its report for the month of September which has just been issued. Gross earnings for the month rose $36,000, while operating expenses increased only $12,000, with the result that net showed a gain of nearly $24,000, or over 20 per cent.

ATTRACTIVE INVESTMENTS

	Price to Yield
Canada Steamships 6% Bonds due 1941	6.30%
Quebec Apartments 6½% Bonds due 1940	6.60%
Nova Scotia Tram 7% Bonds due 1952	7.00%
Asbestos Corporation 6% Bonds due 1956	7.25%

Terms: Cash, or Monthly Payments. Special circulars on request.

H. B. ROBINSON & Co. Limited
Investment Bankers
53 King St. West TORONTO ELGIN 1224
260 St. James Street MONTREAL MAIN 8542

BANKS REDUCING BOND HOLDINGS AS THEY MATURE

Are Not Liquidating Securities By Large-Scale Selling

While Canadian banks are gradually reducing their holdings of government bonds and similar investments the process is having no unfavorable effect on the bond market.

Canadian banks have for several years been large investors in investment securities. Their current loans, made to business firms for the ordinary conduct of their business have shown a tendency to decline for several years, due to the restricted programmes of Canadian business concerns. To keep their funds actively employed, the banks have bought heavily of government bonds, foreign bonds and similar securities. In the main, though, they have bought bonds maturing at early dates and this policy is now proving a factor of strength in the bond market, where it might easily have proven to be a matter of embarrassment by giving the market large amounts of bonds to absorb.

The banks are now reducing their holdings of bonds by redeeming these short term bonds as they may mature and diverting the funds to commercial purposes. This has made it unnecessary for them to sell large amounts of bonds.

There is no need, in the opinion of well posted bond men, to feel that reduction of banks' holdings of securities will adversely affect the market.

MURRAY & COMPANY
Specialising in
Government, Municipal and Corporation Bonds
METROPOLITAN BLDG.
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Foreign Securities
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To yield 6.10% to 7.71%
Full particulars on request
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LIMITED
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255 Bay St., Toronto

Capital: $1,000,000
Reserve: 350,000
Complete Trust Service
covering
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Roberts-Cameron
& COMPANY, LTD.
Government and Municipal Bonds Listed Stocks
Northern Ontario Bldg.
AD.3486-7-8 TORONTO

REPUBLIC OF CHILE
6% External Sinking Fund Bonds, Due 1960
Price 93¼ and interest, to yield about 6.50%
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Investment Securities
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330 Bay St. TORONTO Tel. Adelaide 5819
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We are well informed on the oil situation.

We are in the market at all times for
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VANCOUVER, B. C. VICTORIA, B. C. NANAIMO, B. C.

Municipal Bankers
BOND AND SALES CORPORATION, LIMITED
Dealers in
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CORRESPONDENCE INVITED
34 KING ST. EAST, TORONTO
Sir John Willison, Kt., LL.D. President
Sir William Hearst, K.C.M.G. Vice-President

WHY THIS BOND ISSUE, QUESTION NOW IS ASKED

Bond Houses Do Not Purchase Debentures, Regardless of Purpose

For years American investment bankers have demanded that cities and towns state the purposes of their bond issues. When information as to what the money was to be used for was not forthcoming there was a paucity of bids from the bond houses.

Only of recent years have Canadian investment bankers developed any high degree of sensitiveness on this point. It is noticeable that now, more and more, bond houses demand to know the purpose of the issue before undertaking to bid for the bonds and offer them to clients. Municipal treasurers are adding this bit of information to their calls for tenders.

Why Information is Asked

Obviously, a municipality's credit is directly affected by the class of financial management it gets and the use of borrowed funds is an important point in sizing up this management. A town that goes heavily into debt for a publicly-owned utility, that is beyond its power to carry, or for extensive local improvements that could and should be deferred, is sailing too close to the wind to satisfy investment bankers, who are the intimate representatives of the investing public in the purchase and subsequent sale of municipal bonds. It is equally obvious that when a town borrows too heavily for unsound purposes its credit is seriously weakened and therefore bond dealers have a right to be keenly interested in knowing how the money is to be spent.

Less obvious, though is the reason why the more particular bond houses, and practically all American houses, will bid on bonds issued for what they consider legitimate purposes and refuse to bid on bonds issued for what they consider less sound projects, when the bonds are of the same city. If the City of Blank, for instance, issues bonds for a hospital that is needed, the bond houses will tender, while if it issues bonds to buy the local street railway system that could just as well remain under private control, many houses immediately will refuse to buy. Why should they take that attitude when the bond issued to buy the street railway ranks equally with the bond issued for the hospital and the credit behind each security is identical?

Whether the point is obvious or not, it remains that such is the attitude many bond houses take, and it is an important factor in the sale of Canadian municipal bonds in the American market.

Americans Keen on Purpose

An example may be cited to illustrate the point. A Canadian bond house was about to bid on a $2,000,000 issue of one of the larger Canadian cities. There was a strong demand at the moment for Canadian municipal bonds in New York, and it seemed an excellent opportunity to get hold of an issue to satisfy that demand. As other investment houses were sure to be figuring the deal out the same way it was apparent that a high bid would be necessary. New York houses were invited into a syndicate to buy the bonds. Shortly before tenders were opened, the New York houses discovered that the bonds were being issued to pay for the acquisition of certain privately owned utilities being taken over by the city and they promptly said "thumbs down," and declined to have anything to do with the deal. They felt that public ownership was unsound in municipal operation and that ended the deal so far as they were concerned. The Canadian bond house also withdrew its bid.

It was another Canadian house that got the bonds. When they offered them in New York they got a cold reception. The same story was told them. Eventually many of the bonds were sold in Canada and the Canadian house that originally withdrew its bids was able to buy a block of them at less than either the price they had planned to bid or the price actually paid.

United States houses seem to prefer to pass up good bond issues rather than encourage the issuance of bonds for purposes that they consider unsound and likely to affect the city's credit in the future.

All of which seems to indicate that it is well for a municipality to borrow on sound lines and to state clearly why it is borrowing when it has bonds to offer.

Duluth-Superior Has Deficit

An operating deficit of over $6,700 for the third quarter of the year is reported by the Duluth-Superior Traction Company. Gross revenue showed a loss of 5.68 per cent. and net revenue 23.25 per cent. for the three months' period. Operating expenses, fixed charges and taxes were slightly lower than in the corresponding period of 1925, but were not sufficient to offset the decrease in earnings.

Bond Houses of To-day Highly Organized Business Organisms

"Organization of the Modern Investment House" Theme of Interesting Study by Partner of Big Canadian Firm

By C. E. ABBS, A. E. Ames & Co., Toronto.
A Lecture to students in Commerce and Finance, University of Toronto.

FEW realize how intimately associated with the activities of their daily life is the work of the modern bond house, or as it is now more frequently referred to, the investment banking house, which handles public financing of an investment character for municipalities and corporations. The morning tub, which many of us enjoy, is made possible through borrowing, for waterworks purposes by the municipality in which we live; the sidewalks we tread, the roads we motor on, the street car which carries us to work, and the train and steamboats on which we travel for business or pleasure, are financed through municipal or corporation issues to the public, through the service of an investment banking house. Probably even the capital stock of the paper which brings our morning news is in the hands of public investors and, if not, most certainly the mills which furnish the newsprint, which makes its publication possible, are financed through public issues of bonds and stocks.

Speaking of such issues in a humorous after-dinner speech at a recent banquet in the pulp and paper district, Prof. B. K. Sandwell, formerly of Queen's University, said, "Even the trees blush at the load they bear."

Business is Alive With Interest

A business that touches so many other different fields has many problems, but is alive with interest.

The present day investment banking house is really a merchant in credit. It buys only such credit as it can sell. Permanent investment on its own account is not a part of its business. It buys and sells and the machinery of its organization is geared up to do these two things efficiently.

In analyzing the various departments of a bond organization, you will find that they are all more or less connected with the selling end of the business. It is obvious that there is no profit in purchasing bonds which cannot be sold; also that any part of the machinery which does not function properly is apt to result in poor service to the clients of the house and, in that way, interferes with future sales. On the other hand, the capacity to sell any securities purchased is not sufficient to warrant the development of a sound bond organization. Securities have to be of such merit that they will stand the test of time and result in the clients of that organization having a good experience with them, otherwise the house will lose the confidence of its clientele and ultimately their business. It is fitting, therefore, to discuss first the buying department of an investment banking organization, because bonds well bought are easy to sell, and, further, the reputation built up by a good buying department creates a demand for the securities purchased by that department, which assists greatly the work of the sales end of the business.

The buying department is usually headed by a partner, or one of the senior executives, of the organization. While it is this one's special responsibility to initiate and develop new business, all of the partners, or officers, must be on the alert for transactions to keep pace in the present days of keen competition. While it seems somewhat of an anomaly, the buyer must, in some respects, be a good salesman, for he must sell his organization to the borrower. Competition is so active that there is usually comparatively little difference in price, and it is on the service which the organization can give, both at the time of issue and afterwards, or some little difference in the plan of financing, that the buyer must rest his case. Some borrowers fail to appreciate that they have an interest beyond the first sale of their securities, and that a little greater initial cost is money well spent to secure the services of an organization which will distribute soundly in the first instance, and really tie themselves up to the security, taking a permanent interest in endeavoring to keep a sweet after-market.

Many of our large organizations were built up on handling government and municipal securities during the war period, but the financing of industrial businesses has now become more important than the financing of governments and municipalities. The requirements of the latter have become more or less normal and competition for their securities has resulted in a margin of profit so small for the bond house, that it cannot carry a big organization successfully in handling them only. In addition, in a developing country, it is sound that the major emphasis should be laid on the expansion of industry rather than the expenditure of funds by governments or municipalities for other than essential requirements.

Care Needed in Issue Selection

Curious as it may seem, the best contribution made by a buying department to the organization is in connection with issues they do not buy. This, of course, relates particularly to industrial securities. A moment's thought will make the reason for this quite clear. A failure of one industry on which they had issued securities would do the investment house more harm than half a dozen successful flotations of industrial securities could efface. An investment house is in a position of trust with its clients who look to it to safeguard their interests in connection with investments they make through it. Consequently, you will find that the buying department of a big organization will decide not to finance at least three out of every four propositions that come to them.

It is the business of the buying department to get in touch with those who require to do new financing. This would apply, of course, to government and municipalities too, but we are speaking more particularly of corporations. Every important business which is fundamentally sound offers an opportunity for a potential financing transaction. The connection is made in many ways. Frequently the corporation comes to the investment house asking for advice and requesting that the investment house

(Continued on page 29)

Tenders and By-laws

Nov. 10—Cookshire, Que.—$25,000, 5%, 25-yr. serial bonds. A. W. Pratt, sec.-treas.

Nov. 9—Mount Royal—$40,000, 5½%, 40-yr. serial bonds, dated June 1, 1926. M. L. Roy, sec.-treas.

Saskatchewan

Authorizations granted by the local government board, from Oct. 16 to Oct. 23, 1926

Howell S. D. 4651, $2,700; Virtue R. T. Co., $461; Lloydminster, $12,000.

Debentures Reported Sold

Pretty View S.D. 3391, $1,500, 10 yrs., 6%, Moorhouse & Co., Regina; Princeton S.D. 3102, $2,000, 10 yrs., 5¾%, Cross & Co., Regina; Red Lake R.T. Co., $1,550, 10 yrs., 6%, Cross & Co., Regina; Morse R.T. Co., $2,200, 15 yrs., 6%, B. English, Moose Jaw; Briarlea R.T. Co., $5,750, 15 yrs., 6%, Houston, Willoughby, Regina; Balgonie R.T. Co., $1,500, 10 yrs., 5½%, A. Diewold, Balgonie.

This Week's Bond Sales

London Treasury Bills

An issue of $850,000, London, Ont., 5 per cent., 6-months' treasury bills has been awarded to the Bank of Montreal at par. The bids were:

Bank of Montreal	100.00
Bell, Gouinlock & Co.	99.80
Wood,Gundy & Co.	99.77
Gairdner & Co.	99.75

Township of Scarboro

The Township of Scarboro sold an issue of $50,288, 5 per cent, 15-instalment bonds to Wood, Gundy and Company at 99.20. Tenders follow:

Wood, Gundy & Co.	99.20
McLeod, Young, Weir & Co.	98.29
Dyment, Anderson & Co.	98.00
R. A. Daly & Co.	98.69
C. H. Burgess & Co.	98.23

Shawinigan Falls

An issue of $50,000 Shawinigan Falls, 5 per cent. 30-year serial bonds has been sold to the Canadian Bank of Commerce on a bid of 98.56, or a cost basis of 5.12 per cent. The bids were:

Canadian Bank of Commerce	98.56
Le Credit Municipal	97.94
L. G. Beaubien & Co.	97.65
Normand & Halin	97.58
Dominion Securities Corp.	97.57
Mead & Co	97.40
Lagueux & Darveau	97.16
Versailles, Vidricaire & Boulais	96.53

BOND MOVEMENTS OF THE WEEK

Week Ending November 2

Bonds—	Int. Rate	Due	Yield	Range. 1925 High	1925 Low	Range, 1926 High	Low	Ask	Latest Price Bid	High	Low
Asbestos, gen. mtge.	6	1942	7.19	..	..	85½	81¾	86	85½	85½	84½
Do. 1st mtge.	6	1941	6.18	..	..	98¼	96¼	98¼	98	98¼	..
Canada Cement	6	1929	5.13	103½	100	102¼	100½	102	101½	102	101½
Can. Cottons	5	1940	5.34	96	91½	97¾	95	96¾	..	96¾	..
Cons. Rubber	6	1946	5.85	101	95	102	100	101¾	100½	101¾	..
Cedar Rapids	5	1953	5.14	99⅛	97	101½	98⅛	100	99¾	98⅛	..
Dom. Iron	5	1929	...	94	86	92	69	70	69	69½	69
Montreal Trams "A"	5	1955	5.43	98	92¼	95	92⅛	93⅜	93	93⅝	92¾
Do., 1st Mtge.	5	1941	5.24	98	97	102½	96½	97⅜	96⅝	97½	97⅜
Ogilvie "B"	6	1932	5.31	106½	104	105½	103¼	103½	102¼	103¼	..
Quebec Rly.	5	1939	5.76	98	89¾	95	91⅞	95	94¾	93¼	..
Steel of Can.	6	1940	5.26	106	103	107½	106	..	107½	107	106¼
Wayagamack	6	1951	6.00	98¾	84¼	100¼	91¾	100	..	100⅛	100
War Loan	5	1931	4.79	102.65	101.00	102.40	100.35	101.05	100.80	100.70	100.50
Do.	5	1937	4.63	104.95	103.80	104.65	102.90	103.40	103.10	103.00	102.90
Victory Loan	5½	1927	4.70	103.15	101.70	101.75	100 00	100.95	100.60	100.70	100.45
Do.	5½	1933	4.81	107.00	105.10	106.80	103.65	.....	104.15	104.25	103.95
Do.	5½	1934	5.00	104.80	103.20	104.10	102.70	103.20	103.10	103.20	102.90
Do.	5½	1937	4.70	110.00	108.15	109.30	106.90	107.55	107.30	107.35	107.05
Do., Renewal	5½	1927	4.95	103.15	101.70	101.75	100.00	100.70	100.45	100.65	100.30
Do.	5½	1932	5.01	104.20	102.60	103.40	102.00	102.60	102.45	102.65	102.50
Do., Refund	5	1928	4.90	104.45	100.15	101.30	99.00	100.30	100.00	100.10	100.00
Do.	4½	1940	4.80	97.25	92.00	96.70	95.60	96.20	95.85	96.25	95.65
Do.	5	1943	4.84	102.95	100.15	102.20	101.15	101 60	101.25	101.62	101.25
Do.	4½	1944	4.84	97.65	96.20	97.15	95.75	96.20	96.00	96.25	96.00
Do.	4½	1946	4.77	..	......	96.50	95.65	96.20	95.85	96.50	96.05

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Scarborough Twp.	Nov.	Wood, Gundy & Co.	5%	15 ins.	$50,288	99.20	...
Shawinigan Falls	Oct.	Bank of Commerce	5%	30-yr.	50,000	98.56	5.12
Port Alfred, Que.	Oct.	La Corporation de Pret de Quebec	5½%	30-yr.ser.	80,000	....	...
Hull, Que.	Oct.	Mead & Co., and Bell, Gouinlock	5%	30-yr. ser.	200,000	97.18	5.25
South Vancouver Dist.	Oct.	Royal Financial Corp.	5½%	10-40 yr.	194.928	102.792	5.32
London (Treasury Bills)	Oct.	Bank of Montreal	5%	6 mos.	850,000	Par	...
Laval sur de Lac, Que.	Oct.	Municipal Debenture Corp.	5¼%	10-yr.	56,000	97.50	...
Bagotville	Oct.	Bray, Caron & Duke	5%	15-yr. ser.	100,000	95.50	5.96
Shawville, Que.	Oct.	Hanson Bros.	5½%	35-yr.	35,000	100.51	5.47
St. Joseph d'Alma	Oct.	Versailles, Vidricaire & Boulais	5½%	25-yr. ser.	75,000	.....	...
Duncan, B.C.	Oct.	Pemberton & Son	5%	10-yr.	3,900	.....	...
La Salle, Que.	Oct.	King, Bang & Stodgell	5½%		34,788	Par	...
Pretty View Sch. Dist., Sask.	Oct.	Moorehouse & Co.	6%	10-yr.	1,500	.....	...
Princeton, Sch. Dist., Sask.	Oct.	Cross & Co.	5¾%	10-yr.	2,000	.....	...
Sask. Rural Phones	Oct.	Various	5½&½%	10 & 15-yr.	11,000	.....	...
Riviere du Lorip	Oct.	Municipal Debenture & L. G. Beaubien	5%	30-yr. ser.	130,000	95.22	5.48
North Bay	Nov.	Wood, Gundy & Co.	5 & 5½%	10 & 20 ins.	468,604	101.10	....

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues	Date issued	Offered by	Rate	Due	Amount	Price	Yield
International Paper Co.	Oct.	Harris, Forbes & Co., and Syndicate	6%	1941	$25,000,000	98	6.20
Penmans	Oct.	Bank of Montreal, and National City Co.	5½%	1951	2,000,000	98½	5.60
New Westminster Paper	Oct.	Royal Fin. Co., and Lumberman's Trust Co.	6½%	Serial	250,000	99	6.60

Canadians Largest Holders Now of Own Investments

"Never before have Canadian investors had such a large amount of their wealth in sound Canadian investments. Of Canada's national funded debt of $2,525,000,000 approximately $1,985,000,000, or over 78 per cent, is held by Canadian institutions and private investors," say Wood, Gundy & Co. "These holdings include the substantial amount of war and victory bonds purchased from 1915 to 1919. Up to October 15 this year, new Canadian government and municipal bond issues totaled approximately $215,000,000 and new corporation issues approximately $265,000,000. Of the combined total of $480,000,000 it is estimated that approximately 45 per cent. was purchased by investors in Canada. These substantial investments in sound securities indicate wisdom on the part of Canadian investors, as well as their confidence in the future of Canada.

"Next to Canadians, it is estimated that citizens of the United States are the largest holders of Canadian securities of this character. It is a convincing proof of their appreciation of Canadian credit that such investors are willing to lend money in Canada on terms almost as favorable as those offered to borrowers in their own country."

Canadian Corporations Sell Big Issues Across Border

Canada has been a frequent applicant for money in American investment markets this year. Dow, Jones' compilation shows that Canadian governments borrowed $103,893,000 in the United States in the first nine months of the year.

"This year's Canadian corporation bond total of $216,618,000 is unusually high, comparing with $122,145,000 for the nine months of 1925 and $167,276,000 for the corresponding period of 1924, and consisting of $95,900,000 public utility, $86,218,000 industrial and $34,500,000 railroad corporations. The industrial and utility financing reflect paper and power developments across the border. There are also included in this year's total of foreign offerings in the States $40,780,000 stock of foreign corporations (all Canadian with the exception of one German), against $25,550,000 for 1925 and $13,510,000 for the nine months of 1924. The 1926 stock total was divided between $30,230,000 industrial and $10,550,000 public utility corporations."

However, examination in the Dow, Jones figures shows that there have been included all issues offered in the United States, although many of them were almost entirely sold in Canada and only partially offered in the States.

Canadian Trade Satisfactory Says U.S. Dept. of Commerce

United States Department of Commerce sizes up business conditions in Canada as follows:

"A satisfactory condition of the wholesale trade and a general improvement of the retail trade of Canada over the past week, due largely to an increased demand for boots and shoes, dry goods and other seasonable apparel, is reported. Reports from various commercial centres in the Dominion show that collections range from fair to good."

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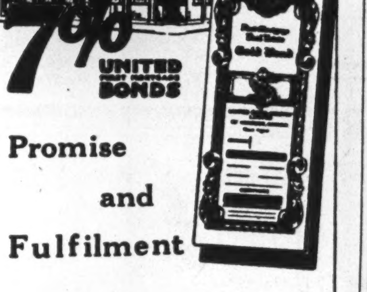

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FIRE PROTECTION FOR SCHOOLS VITAL PROBLEM OF DAY

Too Often Proper Protection of Children is Overlooked

By CHAUNCEY BURGER.

Have you a little fire-bug in your school?

This may strike some people as rather humorous, but there is real pathos behind the question.

Unfortunately, there are many fires in Canadian schoolhouses. And on the North American continent, no less than five schools are burned every day of the year. Not only has property loss been large, and the loss of life considerable, but the fire risk in existing buildings is a very ominous danger. The question of adequate fire protection in school buildings is a fairly wide problem, involving on the one hand the old familiar red schoolhouse with its handful of pupils and its single stove, and at the other extreme the modern city school, several storeys in height, housing hundreds of children and presenting complicated problems of fire protection and egress.

Schoolhouses Built to Burn

In spite of very real developments in the past few years, the fact remains that a great number of schoolhouses are built to burn, and only the most rigid attention to the principles of fire protection can prevent the occurrence of fires that may end disastrously. Even though our children use these buildings only for 1,000 hours each year, the danger is none the less real, and in public schools and kindergartens the need for adequate precautions is doubly necessary. Business men serving on boards of education should be fully alive to the responsibility that rests on their shoulders, and reasonable money or effort should not be begrudged until our schools have ample protection.

This ignorance of even the fundamental principles of fire prevention and protection on the part of those who manage this public trust, is largely responsible for the poor conditions which exist. Such ignorance is bad enough when it adds a fire tax of $50,000,000 a year to the Canadian taxpayer, but it is infinitely worse when it jeopardizes the lives of children. Another important factor is the inertia or lack of responsibility which is occasionally noticed and which results in a disregard of dangers which are known to exist. The educational work done by fire marshals of the provinces and the Dominion is of inestimable value and has gone far to decrease the annual toll but the plague can never be wiped out until every citizen assumes fire protection as a personal responsibility and governs himself accordingly.

Spending in Wrong Place

Unfortunately, in a great many cases our school boards are reluctant to spend money on proper fire protection. Schools must grow in order to keep pace with the rapid growth of, and demand for, education. With few exceptions every dollar that can be scraped together is used for new buildings, equipment and increased teaching staff, with the result that fire prevention, protection and egress problems take second place. Any failure to keep pace with the educational needs of the community meets with glaring publicity both from parents and press, but adequate fire protection in existing buildings is very seldom treated with the publicity which it deserves.

The average trustee or official probably argues that the chances of a fire during his tenure of office are slim and consequently fire prevention is relegated to a very secondary place.

No matter how poor an educational institution may be it cannot afford to disregard fire precautions that are relatively inexpensive. Furthermore, it should spend at least a moderate sum each year for the gradual improvement of its most dangerous buildings. One American authority on fire prevention puts the matter bluntly but honestly, when he says: "When the seriousness of the situation is generally recognized—and it is a fact that 90% of our school buildings are potential death traps—prosperous and philanthropic citizens will leave money to their alma maters and to the school systems of cities for the furthering of fire prevention instead of for the addition of another building, frequently of inferior construction."

Fortunately Loss of Life Small

Fortunately, the property loss in regard to school fires is much larger than the loss of life. This is due to the fact that a very large percentage of fires in schoolhouses occur outside of school hours. This does not by any means lessen the responsibility of school officials, nor does it belie the dangerous condition of the buildings themselves.

The essentials for fire safety in schools are practically similar to those for other structures and are referred to at length elsewhere in this paper. To escape from the fire danger we must have no fires and to do this means fire protection. In a few words this means removing the causes of fire, and covers the handling and storage of oils and other hazardous materials; proper housekeeping measures; disposal of all kinds of waste; proper installation; inspection and maintenance of lighting and heating equipment; and attention to all similar fire hazards. The next best thing to not having any fires is to see that they are extinguished once they do start.

Upon the care given to the details of fire prevention measures and the provisions to extinguish a fire once it starts, depends to a considerable extent on the important problem of egress. This difficulty increases tremendously with every additional floor above the ground. Associated with the question of proper facilities is, of course, the more obvious problem of educating and organizing the children by means of suitable instruction and fire-drill. These precautions are all closely interrelated, and their application to each individual school in the community is a moral responsibility upon the shoulders of every school official, whether teacher or trustee.

Auto Insurance Men Discuss 1927 Plans

A meeting was held in Ottawa this week, attended by many of the managers of insurance companies writing automobile insurance, to consider the plans to be adopted for writing this growingly important class of insurance in 1927. The steadily increasing number of automobiles, trucks and buses in use in Canada has necessarily been followed by a marked increase in the volume of automobile insurance, and the companies providing insurance indemnity against the various contingencies involving loss in connection with the use of automobiles, are desirous of keeping their methods and the nature of the covering offered to the public equal to or better than anything provided by insurance companies in other countries and at the lowest possible rates.

A committee was appointed to study various matters discussed, and to report to another meeting to be held later on in the year.

Every Insurance Policy In Canada Good Policy

Hidden "jokers" have been chased out of policies or contracts made by insurance companies with the Canadian public.

This was pointed out yesterday by R. Leighton Foster, superintendent of insurance for the province of Ontario, in the course of addressing the Life Insurance Underwriters' Association of Montreal.

Canadians consequently, it was stated, no longer need to exercise themselves as to whether insurance policies are fair and equitable, this being seen to by the government insurance departments.

Supervision is also given so that companies at all times will be able to meet claims on their policies. Rates are also checked.

In Canada, the only thing the insurance underwriter has to do is to sell the prospect the idea that he needs insurance, said Mr. Foster.

O. E. Sharpe, of Quebec City, superintendent of insurance for this province, also stressed the benefits of Government supervision, particularly the confidence brought about between public and company.

Some interesting statistics were given to show the tremendous advance which insurance has made in Canada in the last half century.

In 1869, the first year for which figures are available, there was $35,638,000 worth of insurance in force. To-day there is in force more than two and a half billions of life insurance alone in Canada.

Last year more than 850 millions of life insurance was paid for and delivered in Canada,. The great bulk of the business is being done by Canadian companies.

During the last half century life insurance has multiplied 125 times in Canada. In the same period of time it has multiplied 35 times in the United States.

Burglary Insurance Claim Raises Interesting Point

The question of whether a burglary insurance policy covers the contents of a vault, as well as a safe within the vault, is the subject of a dispute over an insurance claim at the coast.

On December 27, 1925, the vault in the department store ,of Woodwards, Limited, was robbed of $6,457.

The U. S. Fidelity & Guaranty Co. contended that the policies insured plaintiff against loss from burglars with respect to the contents of a safe, within the vault, but not the contents of the vault.

There was co-existent insurance, and Mr. Justice McDonald, following trial in Supreme Court, adjudged that plaintiff was entitled to recover five-eighths of its loss on the two policies in question, or $4,036. On appeal, judgment was reserved.

CHIMNEY SWEEP MAY BE REVIVED; BY-LAW DEMANDED

Montreal's Clean Chimney Ordinance Held Up as Model

Across the border a campaign is on to have municipalities pass ordinances to make regular chimney sweeping. The National Board of Fire Underwriters is conducting the campaign and holds up as the model by-law the one that has been in force in Montreal for nearly 50 years.

Almost fifty years ago Montreal adopted a by-law which aimed at reducing fire hazards by obliging all property owners to see that chimneys on their premises were swept frequently. Only four communities below the border, it is said, have laws approaching the Montreal by-law in question.

The National board's drive takes the form of circulars sent to people all over the United States. In it, the danger of factory and house fires from chimney blazes is emphasized. Then Montreal is cited as leading the way in legislation to reduce this danger. The by-law now on the city's books, which calls for at least an annual cleaning of chimneys by men working under the direction of the fire department is quoted at length. The suggestion is made that, to be up-to-date in fire prevention matters, all American cities and towns should frame laws patterned after that in force in Montreal.

The by-law now ruling in Montreal had its beginnings prior to 1880. At that time, the city itself licensed certain sweeps to undertake the work, and it was obligatory for the sweeping of every chimney to be done thrice yearly. With consolidation of the by-laws in 1880, some amendments went into effect. There have been changes since. But the law has always retained the same principle—obligatory sweeping of chimneys. To-day at least one sweeping must be done every year. The fire department has men visiting all houses, office buildings and factories, the city being divided into districts over which inspectors have control. The sweeping is undertaken for a nominal charge.

Campaigning in Gotham

The Spectator, an insurance paper, published in the United States, is also doing some campaigning along similar lines and has instigated a campaign against defective flues and chimneys in New York city and around the metropolitan district.

Statistics presented tend to prove that unless land owners and householders clean their flues and chimneys before they were put to constant use again this fall, New York city can expect a continuation of the tremendous fire losses experienced last winter due to the use and misuse of soft coal.

While fire prevention week is a thing of the past, flues and chimneys should receive attention during the entire year, declares the Spectator. Soft coal soot deposited on the walls of chimney and flue is still partly combustible and hence a continual and dangerous menace to life and property. It should, therefore, be inspected frequently and cleaned as often as necessity demands. This is particularly applicable to tenement and apartment houses, where the safety of congested quarter is at stake.

Just how important the flue and chimney situation is, may be garnered from the fact that fires from chimneys, defective flues, fire-places and sparks from, rank fourth in the total number of fires in New York city from specific causes.

PACIFIC COAST DRAWS TOURISTS; RECORDS BROKEN

Signs Point to Much Larger Influx This Winter

Special Correspondence.

VANCOUVER.—More and more are Canada's Pacific coast cities, Vancouver and Victoria, returning to their former positions as the "mecca" during the winter months for the holiday makers of Eastern Canada and the wheat farmers of the prairie provinces. For in a statement issued recently by the Vancouver offices of the Canadian Pacific Railway it is shown that winter tourist traffic to the coast is heavier this year than at any time since pre-war days.

It will be remembered that in those days there was generally a floating population of winter tourists in Vancouver of approximately 10,000, mostly drawn from the prairies. Everything, however, points to this number being greatly exceeded during this present winter. There are reasons for this. In the first place the disasters in Florida have caused the average Canadian tourist to seek fresh fields for his winter flitting, while in the second place the slogan of seeing ones own country first is having effect. In addition too, the strong publicity campaign that Vancouver and Victoria are putting on this year throughout the prairie provinces is even now beginning to bear fruit, and finally it must not be forgotten that both the above named cities offer a splendid array of attractions to both the resident and the tourist right throughout the winter.

C.P.R. Provides Golf Course

Golf has always been played all the year round both in Vancouver and Victoria, but the clubs have been closed for the most part to members only, and this has meant that the possibilities of play have been distinctly restricted for most tourists. Now this is all changed for the Canadian Pacific Railway has built at South Vancouver at a cost of $160,000 and within easy reach of the city, the finest public course on the Pacific Coast where golf can be played for the twelve months of the year at a figure which works out at a few cents per game. There is no doubt that the construction of this thoroughly first-class and up-to-date golf links will mean an influx of many thousands to Vancouver during this and coming winters.

Crystal Gardens Provide Bathing

The new hotel, which has just been opened on the top of Grouse Mountain, one hour's run from the heart of Vancouver City is also going to bring new winter tourists in their hundreds, and advance bookings show that a large proportion will be from the interior of Canada. After all this is only as it should be for the equable climate of Vancouver and Victoria is unsurpassable even in winter by the warmer climes of California.

The many attractions, too, of the queenly city of Victoria have been added to by the building by the Canadian Pacific Railway of the Crystal Gardens which permit of bathing and water "galas" being carried out during the coldest days of winter. In fact the Crystal Gardens are at all times the social rendezvous of the coastal capitol. Finally the hotel accommodation, a very important matter, is superb both in Vancouver and Victoria, for in the hotel Vancouver and the Empress Hotel, Victoria, these two cities possess hotels unsurpassed on the North American continent.

Royalite Over 500 Barrels

After two years of active oil and gas flow, Royalite No. 4, in the Turner Valley field, is reported to be still producing oil at the rate of 500 barrels a day, and gas at the rate of 18,000,000 cubic feet a day. The September production as officially reported was 16,607 barrels of high-class naphtha, or an average of 553 barrels a day. The well "came in" on October 14, 1924.

Canadian Insurance Advertising is Lauded

Two Canadian companies have been awarded honorable mention in the annual competition for the Holcombe Trophy, which is emblematic of the best advertising campaign put on by the 230 American and Canadian insurance companies which are members of the Insurance Advertising Conference. The field is open to all branches of insurance, including fire, life and accident companies, and extends to every form of printed matter in which insurance companies are interested, The London Life and the Imperial Life were the two Canadian companies to receive honorable mention, while the trophy itself was awarded to the Hartford Insurance Co.

The London Life entered an exhibit of its Canadian campaign, and received the decision on the strength of its appeal; the human interest qualities of its copy, and the economical use of a modest expenditure. The Imperial Life entered an exhibit of its posters, together with a tie-up that it arranged by using the poster material for the covers of its magazine which it issues to policy-holders, and also for newspaper advertisement.

This is the second time that the Imperial Life have received honorable mention, the first award being in 1924, the first year of the competition, when the Imperial was the only company to receive special mention. Last year there were no companies awarded honorable mention, and this year there were three, two of which were Canadian.

BRITISH EMPIRE
Underwriters' Agency
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FIRE and AUTOMOBILE INSURANCE

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED
Trustees, Executors, Administrators,
Real Estate and Insurance,
Safety Deposit Vaults.
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PRUDENTIAL TRUST BLDG.,
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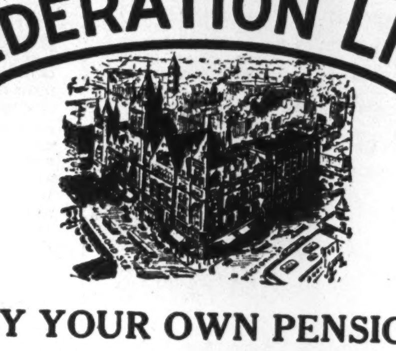
Branches throughout Canada and in London, Eng.

The
ONTARIO EQUITABLE
Life and Accident
Insurance Company
S. C. TWEED, President
Head Office
WATERLOO, ONT.
Assets over $2,000,000

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
Writing Fire Insurance at Cost Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
BRANCH OFFICES
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmontoh, Vancouver, Victoria.

CONFEDERATION LIFE ASSOCIATION



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The NORTHERN
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Good insurance salesmen can always find a place with our growing organization.
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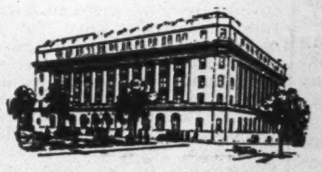
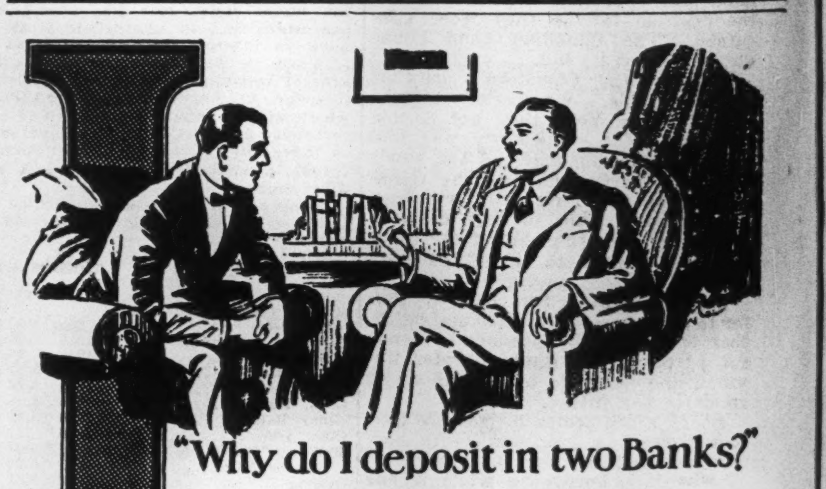
Metropolitan Life
Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.



Canadian Head Office
Ottawa, Canada.
Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 88,743,283

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY Secretary
W. H. HUNTER President
ALEX. STEWART Treasurer



"Why do I deposit in two Banks?"
"It's just straight business, that's all. Part of my savings I put in the bank around the corner. This account we use freely to get enjoyment out of life, and to meet the payments on our home.
"But it's the other account that puts the backbone into my estate. Immediately I opened this account my 'banker' placed a $10,000 cash bond in a safety vault for me.
"According to the agreement my deposits amount to only 2½% per year but cover interest, principal and all. Should I become totally laid up the 'Bank' pays me $100.00 a month. And when I die my wife gets the whole $10,000 bond in cash just the same.
"I learned of this plan through some of my successful business friends, who finance this way Some people call it life insurance."
The above illustration simply shows how your plans for yourself and family can be made effective by insurance. Let one of our trained representatives 'diagnose' your needs for you.
London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE - LONDON, CANADA
Policies "Good as Gold"

Current Events in Banking World

DANGER SIGNALS IN CREDIT STUDY TOLD BY BANKER

Bank of Montreal Executive Talks to Credit Men

More and more, banking men in Canada are getting together with business men, finding the mutual viewpoint and passing on ideas.

Last week, Jackson Dodds, assistant general manager of the Bank of Montreal, addressed the Manitoba Division of the Canadian Credit Men's Trust Association. He spoke on "Some Credit Suggestions from the Banker's Point of View."

The following is summarized from press reports of his address:

Mr. Dodds' address blended an account of the actual working principles. with the more general theory of practical banking, giving particulars of many facts which, in his opinion, constituted danger signals in commercial accounts. Here and there he linked up the bankers' profession with the actual work done by the commercial credit men, showing that at many points, both practice and interests, were identical. He concluded with the statement that since confidence was the real basis of credit the appearance of certain danger signals need not be taken as sure proof of the appearance of a dangerous risk. Nevertheless, he said, only eternal vigilance over every factor which might affect the account could insure a successful conduct of the banker's business.

Roughly dividing his subject into a consideration on what might be read into the balance sheet or profit and loss account of a concern, and into a survey of facts such as the personal touch, local knowledge and moral hazards. Mr. Dodds began by saying that banks and commercial houses did not keep clear of losses by good luck, but by good management; and in this connection it was essential for the bank manager to be in a position now and again to offer advice and the fruit of his experience to his customers.

And What It Shows

Dealing with the balance sheet and profit and loss statements, the speaker declared that the first and most important danger signal was a decrease in the percentage of liquid assets to liabilities, especially when the percentage is low, since fixed assets could rarelv be counted on in any emergency. Other important questions sketched by Mr. Dodds included:

If there is an increase in merchandise in amount or not in proportion to sales? Is the company becoming overstocked or speculating in merchandise? On what basis is the valuation made? Is sufficient fire insurance carried, and is there an 80 per cent. co-insurance clause?

Have merchandise stocks dereased, for instance, where replacement cost would be exclusive? Is there an increase in *bills* receivable, of what quality are *they* and how spread? Has full provision been made for losses and weak accounts? Inquiry should be made if there is a decrease in bills receivable without a corresponding improvement elsewhere.

Is Capital Sufficient For Business?

If there is any disposition to attempt to do more business than the liquid surplus justified? Is any attempt being made to get more capital? Are amounts owed by partners and members of the firm more than nominal or increasing? If people in control are not sagacious enough to look after their own affairs they can hardly expect other people to have much confidence in their management of the firms' business.

Is property too heavily encumbered or has encumbrance increased? When does the mortgage fall due and what prospects are there for getting new money elsewhere? Is proper allowance being made for depreciation of property? Is there any increase in realty holdings or other fixed assets? If the concern is in rented premises, what are the terms of the lease?

Discovering Undisclosed Liabilities

Has there been a decrease in capital or surplus? Are there any undisclosed liabilities in the way of guarantee or endorsement? The only person more difficult to collect from than an endorser is a guarantor.

Is there any delay in producing the balance sheet at the proper time? Have dividends been paid which have not been earned or which tend to milk the quick assets? Is the balance sheet audited by reliable outside accountants? One business concern has been known to have three balance sheets; the first for the owner, the second for the bank, and the third for the income tax collector. Is any difficulty experienced in having doubtful matters explained? Remember that credit is based largely on confidence; confidence in turn is based on knowledge of facts and familiarity with operations.

Is the risk of a single life nature? Is there anyone in line for executive positions in case of accidents? Is there a falling off in turnover or profits? Sometimes a business is not big enough to provide all the members of the family with jobs.

Is Golf a Risk?

Golf, Mr. Dodds said, might be mentioned, since he had never made up his mind which was the weaker risk—the man who neglects his business for his golf or his golf (e.g., his health) for business. His veins, he said, still depended on the influence of the weather and his own score.

Turning to the more personal side of business, Mr. Dodds said it was necessary to recognize the moral hazards involved. It is not difficult, he said, to find out if a general storekeeper in a country town takes a hand in "the big game" locally and still simpler to ascertain if he is drinking. In addition to such facts, Mr. Dodds declared, the banker liked to know such facts as the following:

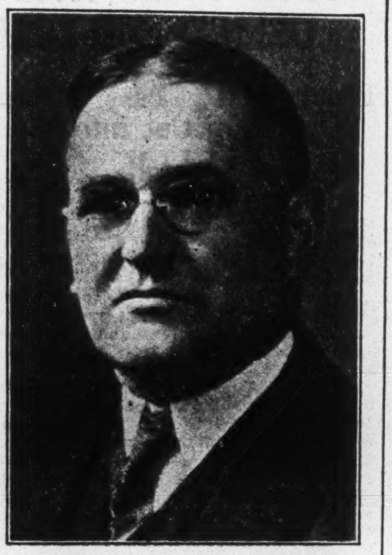
Are those in charge of a business thoroughly competent? Are cheques for appreciable amounts issued for purposes outside the business? Are owners or partners living extravagantly? Are there signs of straining at liberal authorized credit? Overdrafts are undesirable. If there is a tendency to grant too liberal credits; e.g., if the paper offered for discount is of a weak nature, the banker must put on the brakes. Is trade paper well met? Are "kites" included for items presented for discount? Are relations between principals or between principals and employees harmonious? Is increasing opposition or ruinous competition arising?

Repayment of Loans

Is there a lack of resiliency in borrowings? Banks prefer to have their advances paid or substantially reduced at least once a year or oftener. Is there any appreciable drop in amount or quality of security? Is there a decided drop in the price of the merchandise dealt in? Are taxes paid promptly? Is fire and life insurance settled promptly by paying cash? Is there difficulty in obtaining information where accounts are divided with other banks?

This, Mr. Dodds said, concluded his list of danger signals, but he wished to emphasize the fact that the list was by no means complete. The speaker concluded:

"There are so many things to be taken into account that credit cannot be reduced to rule of thumb. The moral risk is always the supreme factor, and this can never be reduced to a percentage basis."



SIDNEY H. LOGAN,
General manager of Canadian Bank of Commerce, who this week piloted a party of business and financial leaders through Northern Ontario mining camps, a familiar area to him.

Making His Million

The Broke Hustler, published at Iroquois Falls, for employees of Abitibi Power and Paper, says:

"One of the boys in town gave A. J. Kelly, of the Royal Bank, a terrible shock last week. This man had bought some mining stock 15 years ago and didn't hear anything more about it. He kissed the money good-bye long before now but a few days ago a handsome cheque arrived, so he walked into Kelly, waving the cheque and saying: 'Well, A. J., I have made my fortune out of a mine.' 'What's that?' says Kelly. 'I have made my fortune. The mine that I bought stock in 15 years ago has just been sold and I have got a cheque for the dividends.' Kelly jumped up and grasped his visitor's hand firmly and gave it a hearty shake. 'Congratulations old man, congratulations,' and then his visitor handed him the cheque to look at. It read '1.26' and there was 25c commission to pay on it."

Russell Motor Changes Year

Annual meeting of the Russell Motor Car Co. was of routine character. A bylaw changing the financial year of the company to end Dec. 31 instead of July 31 was passed. The change in the company's year was to have it end with its subsidiary company, the Canada Cycle and Motor Co., Ltd., and also with the Canadian Acme Screw & Gear, Ltd., and Willys-Overland, Ltd., Toronto, in which it holds considerable stock.

The old board of directors was reelected.

Bank of Montreal Branch

The Bank of Montreal has opened a branch at Breakeyville, Quebec. F. W. Russell has been appointed acting manager.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES	Oct. 29, 1925	Oct. 28, 1926
Halifax	$2,727,965	$2,646,326
St. John	2,641,597	2,122,652
Moncton	833,191	832,715
Sherbrooke	705,027	859,929
Quebec	4,514,992	5,666,592
Montreal	104,696,221	106,848,931
Ottawa	5,260,087	5,684.875
Kingston	684,886	702,305
Peterborough	724,265	822,848
Toronto	88,947.384	96,383,269
Hamilton	5,862,192	5,629,999
Brantford	841,702	1,066,359
London	2,498,946	2,736,091
Sarnia	......	616,876
Kitchener	924,111	1,140,062
Chatham	......	585,577
Windsor	3,435,396	4,760,940
WESTERN CITIES	Oct. 29, 1925	Oct. 28, 1926
Fort William	748,013	937,259
Wininpeg	66,871,194	76,467,076
Brandon	651,522	644,216
Regina	6,358,975	5,761,306
Moose Jaw	1,359,508	1,724,839
Saskatoon	2,154,666	2,322,478
Prince Albert	355.281	356,123
Lethbridge	476,793	630,493
Calgary	7,130,392	8,772,891
Edmonton	4,192,049	4,577,497
Medicine Hat	192,988	450,246
N. Westminster	624,807	774,809
Vancouver	16,624,810	16,878,056
Victoria	3,050,850	......

Monthly Bank Clearings

(In comparison with same month last year).

EASTERN CITIES	Oct., 1925	Oct., 1926
Halifax	$ 13,557,666	$ 13,289,314
St. John	11,849,083	10,537,993
Sherbrooke	3,558,618	3,984,525
Montreal	503,011,769	512,365,135
Quebec	25,964,892	26,067,252
Ottawa	31,349,759	29,371,171
Kingston	3,651,420	3,546,520
Peterboro'	4,495,378	3,862,288
London	12,502,533	13,709,977
Toronto	497,993,222	448,115,155
Hamilton	24,146,225	26,025,690
Brantford	5,071,158	5,105,958
Kitchener	4,653,568	4,982,999
Sarnia	....	3,141,829
Windsor	16,901,148	20,774,940
Moncton	3,926,674	3,816,928
Total, East	$1,162,633113	$1,128,688,674
WESTERN CITIES	Oct., 1925	Oct., 1926
Fort William	$ 4,876,042	$ 4,507,101
Winnipeg	344,743,005	316,103,317
Brandon	3,346,992	3,088,675
Regina	31,333,470	26,414,873
Saskatoon	10,299,020	10,400,376
Moose Jaw	6,695,903	7,042,882
Prince Albert	1,605,479	1,730,438
Lethbridge	2,312,416	2,551,987
Calgary	30,633,227	32,315,135
Edmonton	21,419,195	23,244,284
Medicine Hat	1,998,179	1,774,008
N. Westminster	3,121,592	3,540,709
Vancouver	75,391,560	74,174,755
Victoria	9,242,199	9,879,866
Total, West	$547,018,279	$516,768,406

Bank of Commerce Opens Kirkland Lake Branch

Another step in the development of the Kirkland Lake district is seen in the announcement that a branch of the Canadian Bank of Commerce has been opened in the town serving that important area. This addition to the bank's representation in northern Ontario will add another link to its chain of branches in the mining fields, and the event is regarded as expressing the bank's confidence in the district.

The opening of the new branch will be under much different circumstances from those encountered when the Canadian Bank of Commerce first entered the northern Ontario mineral belt in August, 1905. On that occasion the bank's representatives, including S. H. Logan, now general manager, opened for business at Cobalt in a tent in the woods along the lake shore. Their office furnishings consisted of a rough board counter covered with oilcloth and a strong iron box for the branch's supply of currency. Another tent served as living quarters for Mr. Logan and his staff.

The opening of the Cobalt branch was the commencement of the bank's progressive policy in northern Ontario's gold and silver fields, the institution providing additional banking facilities as new districts were developed. This extension of the bank's services was in line with its plan for representation in all the important mining regions of Canada. At present over sixty of the branches of the Canadian Bank of Commerce are situated in mining towns and camps.

The bank's Kirkland Lake branch will be under the management of H. W. Cooke.

Imperial Promotions Announced

The Imperial Bank announces the following staff changes: S. R. Way, formerly accountant, Hamilton branch, has been appointed manager, Grand Valley, Ont. H. P. Morton, recently assistant accountant, Yonge and Queen, Toronto, branch, has been appointed accountant, Hamilton, Ont. R. Carson has been promoted to the assistant manager's post at Winnipeg.

Staff Gossip

L. D. Brooks, teller of the Bank of Commerce staff, Southampton, has been transferred to the Listowel branch. — Standard, Listowel.

* * *

R. Mellin, of the Canadian Bank of Commerce staff, has been transferred to the bank's branch at Ladner, B.C.—News, Nelson.

* * *

Nelson Tuzo, of the Bank of Montreal staff here, has been transferred to the Grand Falls branch.—Gazette, Chatham, N. B.

* * *

William Knowles, at present on the staff of the Standard Bank here, has been transferred to the branch in St. John, N.B.—Whig, Kingston.

* * *

J. A. Lemieux, of Ste. Therese is replacing Mr. Lanctot of the local Bank of Montreal, the latter having been transferred to a branch in Montreal.—News, St. Johns.

* * *

C. S. Frost, assistant manager of the Bank of Nova Scotia, St. John's, has been transferred to Winnipeg, while W. E. McDonald, manager of the branch at Westville, N.S., will replace him at St. John's.—Standard, Harbor Grace.

* * *

Orvel Stone, who has been for the past four years accountant at the Standard Bank, Edmonton, has been appointed manager of the Paynton, Sask., branch and has taken over his new duties. —Whig, Kingston.

* * *

Leslie Kay, who has been teller in the local Bank of Commerce for several months, leaves for Delhi to which branch he has been transferred.—Standard, Forest.

* * *

A. Drummond, manager of the Standard Bank in Alton, has been transferred to Oshawa. Mr. MacFarland, of Harriston, succeeds Mr. Drummond in Alton.—Star-Vidette, Grand Valley.

Commerce Opens New Branch

The Canadian Bank of Commerce will shortly open a new Toronto branch at the corner of Mt. Pleasant Road and Manor Road.

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor, Administrator, Assignee, Trustee, Etc.

Head Office: Winnipeg
Branches: Saskatoon and Calgary

GLASS of all descriptions

All kinds of flat glass available

For immediate delivery and in large quantities.

Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.

Also sole manufacturers

NON-SHATTERABLE PERFECT VISION BULLET PROOF GLASS

PERFECTION GLASS COMPANY
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SASKATCHEWAN
"THE WORLD'S WHEAT BIN"

We Offer you the Service of **85,000** Invincible Salesmen in

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CANADIANS HAVE MADE BIG PROFITS IN FOREIGN BONDS

Recent Rise Has Added Millions to Value of Their Holdings

The stabilization loan and the adoption of a new currency by Belgium, have turned the attention of investors to the steady progress which is being made by European countries towards financial recovery. One by one the countries have realized that only extreme measures—'the surgical operation of finance'—can restore monetary prestige that has been weakened or destroyed by the devastations of the late war. The effect of stabilization of currency upon outstanding external obligations has been interesting. A German 7% external loan was issued two years ago at 92 and now sells about 105; the Austrian 7% external loan, floated three years ago at 90, now sells at 102. Neither of these countries was in nearly so good a condition at the time of stabilization as Belgium is to-day, and while the general security market has undoubtedly had a bearing upon the present price the improved financial situation based upon a stabilized currency, is the main factor which has brought about the rehabilitation of the countries in question.

Big Rise in Past Week

Last week external foreign bonds moved to the highest levels of the present year and unusually active trading caused Wall Street to discuss with enthusiasm the prospects of future European financing in the American market. This, of course, means more foreign bonds to be offered in Canada. The chief factor in the upward trend was, of course, the Belgian stabilization scheme which included the flotation of a $50,000,000 loan through a J. P. Morgan & Co. syndicate. French bonds, along with the Belgians, were among the leaders, and new records were established for both municipals and industrials, as well as for government issues.

According to "Investment Securities," published by the National City, Ltd., Montreal, the recent Belgian loan which was heavily oversubscribed, (resulting in Canadian commitments being cut to very small proportions) was the last chapter in a campaign for financial and economic stability.

Last winter the Belgian government made a sincere attempt at currency stabilization which proved abortive, but which did show that more fundamental measures were necessary. Such steps were promptly taken, and in July, parliament, laying aside all party alignments, delegated its legislative powers relative to financial matters to the King for a period of six months.

First Step in Financial Reform

The first step, consolidation of the floating debt, was achieved by leasing the Belgian State Railways for a period of 75 years to a corporation with a capital of 11 billion francs represented by one billion francs ordinary shares which remain in possession of the state and 10 billion francs preference shares, a considerable portion of which has already been disposed of in refunding the floating debt and in offerings to the public both in Belgium and Switzerland and Holland. Thus the floating indebtedness of the government, which amounted to around six billion francs and was the greatest menace to the stabilization of the currency, has now been consolidated and the stabilization of the currency will be a much easier matter than in the case of the previous attempt.

A second step in the present campaign was the levying of the extraordinary taxation amounting to 1,500,000,000 francs annually, to be levied for four consecutive years. The state will, therefore, between now and 1930, have at its disposal the following extraordinary resources:

	Francs
Extraordinary taxation ..	6,000,000,000
Railroad pref. shares	10,000,000,000
Tel. and teleg. pref. shs.	1,500,000,000
	17,500,000,000

Against this there is indebtedness totalling about 12,500,000,000 to be taken care of between now and 1932.

New Currency Brought Out

The final step, coincident with the negotiation of the present stabilization loan, is the adoption of a new currency in which the unit is known as the Belga which has a value of 7.2 to the United States dollars and which will represent five of the present paper francs.

The rise in French bonds occurred simultaneously with a strong upward movement in French exchange, which in turn reflects the progress of the French government towards financial reform. According to reports circulating in New York, it seems probable that some debt agreement will be shortly placed before the French government for ratification, this being an essential preliminary to any French financing in the American market. At the present moment, French external bonds are yielding about 7.50 per cent. and although they are still somewhat of a speculation they present interesting possibilities.

On account of their war record, the external bonds of Scandinavian countries have had first rank among foreign bonds, but in view of a rapid recovery it is now possible to rank nearly all the external bonds of Belgium, and those of Germany and the Argentine, next to the Scandinavian securities. The external bonds of France, Italy and Chile would probably rank next as an investment, with a yield to the purchaser of from seven to 7.5 per cent. The widespread interest that has been aroused in foreign financing is summed up by "Investment Securities" as follows:

"Exclusive of private participation in foreign enterprises and of short-term financing, recent figures estimate that there are now outstanding over four billion dollars of foreign public and corporate bonds in the United States. These figures, of course, exclude inter-governmental war debts, and take cognizance only of those bonds held by the public. In the short period during which Canadians have had the opportunity of purchasing foreign dollar loans such bonds have shown a net increase in market value of over $100,000,000 over issue prices. Several causes have contributed toward this condition beyond the fact that interest rates have declined, but by far the most important factor has been the spread of knowledge of foreign affairs and the more general recognition of the attractiveness of these bonds by the public."

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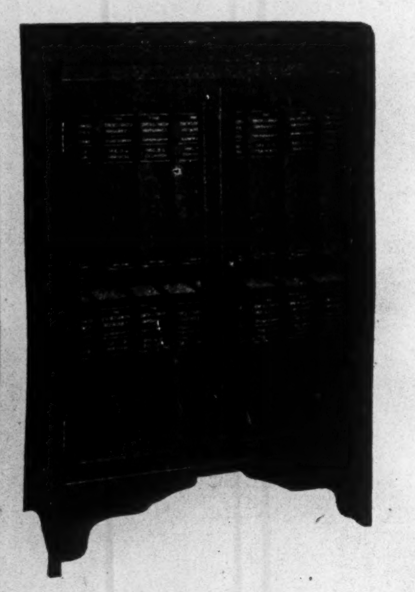

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Rumor Has It Canada and U.S. Plan Wood Products Reciprocity

Straws, they say, show which way the wind is blowing. The trouble is that any little breeze is apt to set a straw waving to and fro regardless of the prevailing wind.

Anyway, in some circles, one recent tariff change of minor importance, made by the United States government, is being taken as of considerable significance. President Coolidge has put the machinery of law in motion in the United States to reduce the duty on paint brush handles. And out of the discussion of this move arise rumors that Canada and the United States are getting together on the question of a reciprocal trade arrangement, to be built around wood products as a whole.

The paint brush situation, while bearing about as much relation to Canadian-America trade relations as a whole as one straw bears to a bale, is interesting. A United States manufacturer of paint brushes established a plant at Gravenhurst, Ontario, to make handles for the paint brushes that he sells in Canada as well as for those he makes at his plant in New Jersey and sells in the United States. Recently he has evidently been figuring out his costs for he determined that if he could get those paint brush handles into the United States without paying Uncle Sam a duty on them he would have the jump on his competitors, who were making paint brush handles in the States at higher cost. So he went to Washington with a request that would be familiar at Ottawa but which was a rara avis in American politics. He asked to have the paint brush duty cut. And he succeeded.

Apparently the change is not going to affect anyone directly except this one manufacturer, who is placed in a somewhat different position from most other manufacturers, with a factory in Canada and an "assembly plant" in the United States, just the reverse of the usual situation.

Various Canadian paint people, connected with the industry, studied the possible effect on their business and it was while doing this that they ran across well defined rumors that the whole question of reciprocity in wood products was being studied by Ottawa and Washington. Of course, Ottawa is not speaking and nothing has come out of Washington, so all is indefinite yet.

Pulp and paper products would be the chief items affected, the rumor has it.

Hurried investigation of the story has revealed nothing even pseudo-official to indicate that the straw of rumor is being shaken by the breeze of truth.

DOMINION GLASS MAY AGAIN FAIL TO EARN ITS 7 P.C.

(Continued from page 1)

show, it is generally anticipated that profits, will again fall short of dividend requirements. There is a disposition to regard the dividend as safe, however, and no cut in the present rate is anticipated. This attitude is held despite Sir Charles Gordon's remark at the last annual meeting, in answer to a shareholder, that as regards dividends, "they would be paid if earned and, of course, not paid if not earned." The present rate has been maintained since November, 1922, and some distribution has been made at various rates, but without suspension, since 1913.

Dominion Glass is the largest manufacturer of glassware in Canada. It was formed in 1913 as a consolidation of three existing glass companies and has plants in Montreal and Toronto, as well as in Alberta and Manitoba. It is capitalized at $2,600,000 preferred stock and $4,250,000 common, divided into shares having a par value of $100 each. There is also a funded debt of $1,162,000.

Goodwill Causes Discussion

A feature of the company's balance sheet which has caused considerable discussion is the item of "goodwill, patent rights etc.", which is shown on the latest available report at $3,641,921. In 1922 this item was shown at the record figure of $4,625,920, but the company has adopted the general principle of reducing the goodwill item as far as earnings will permit. In 1924-25 a reduction of $50,000 was made.

The question as to whether such a large goodwill account is desirable or not is a matter which will arouse a good deal of difference of opinion. It is generally conceded that if the company has demonstrated its earning power the goodwill has a tangible value and should be carried as such on the books. Furthermore, in this particular case, the item includes such matters as patents, which, it is understood, were bought from American companies at much below their real value and only taken on the books at cost.

In any case, the important point is not so much the amount of physical assets behind a company as the earning power. The latter depends to a large extent on the organization and management, the efficiency of which must be gauged by past performances.

What the company has done in the past few years is indicated in the following figures, which show the net profits, per cent. earned on common, and surplus after dividends for the years ended September 30, as far back as 1916:

	Profits	Earned on Common	Year's Surplus
1925	$607,037	6.00	$42,463*
1924	753,869	9.44	103,869
1923	724,664	8.77	75,164
1922	718,540	8.62	111,540
1921	699,599	8.17	92,599
1920	757,988	9.55	235,988
1919	631,724	6.58	109,724
1918	599,182	5.60	153,280
1917	486,634	3.17	134,634
1916	454,328	2.41	102.328

* Deficit.

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FOREIGN EXCHANGES

Expect Milreis to be Stabilized

Conducted by S. J. ZACKS.

Foreign exchange has assumed a firmer and steadier tone. Three of the exchanges were extremely strong. French franc touched $.0327½, a spurt of a quarter of a cent over last week's close and a gain of $.0137½ over the low of last summer. Japanese yen were strong, reaching a new high of $.4890, while Roumanian currency has also moved higher. U. S. funds and Italian lire were a little easier.

The huge success of Belgian stabilization loan has cast a new light upon many of the weaker European sisters. The ready response, both in Europe and America, to the Kingdom of Belgium issue, put out by J. P. Morgan & Co., has revived talk of the French stabilization loan. In fact, the outlook for all Europeans has improved.

In the past few months every European report was depressed with news of the British strike. The coal strike, although still an important factor, has sunk to one of secondary importance.

The improvement in the French franc reflects the marked progress being made by the French government toward financial reform. A further reduction of 400,000,000 francs in the last week's statement of the Bank of France has brought the total reduction of paper currency outstanding to 2,600,000,000 francs below the maximum of Aug. 5. The government debt to the Bank of France, too, has been reduced substantially. Of course, the French parliament will have to ratify the American debt settlement scheme before there can be a stabilization loan.

Dr. Washington Luiz, Brazil's president to be, recently declared that the chief work of his government would be that of maintaining the financial position of the country by the following means: Firstly, public order, based upon the stability of the country's laws; secondly, order in the matter of public expenditure, resulting in the real equilibrium of budgets, the consolidation of floating debts, and the amortization of the internal and external loans; thirdly, economic order, expressed in terms of development of production, so as to reduce the size of imports on one hand, and stimulate exports on the other, thus bringing about a commercial balance.

Dr. Luiz also stated that the main preoccupation of his administration would be to assure stability of exchange, to facilitate the convertibility of paper money, and to favor a metallic circulation.

The president stated that he considered that the oscillations in the paper currency have been the principal cause of Brazil's financial disorder and unsettlement.

It is now thought the Brazilian milreis will be stabilized somewhere about 14 cents in the immediate future.

NEW YORK FUNDS

Oct. 28	1-8	5-32	5-32	11-64
Oct. 29	1-8	1-8	5-32	5-32
Oct. 30	7-64	1-8	5-32	5-32
Nov. 1	1-8	1-8	1-8	9-64
Nov. 2	1-8	1-8	3-32	7-64
Nov. 3	1-8	9-64	3-32	3-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Oct. 28	4.84⅜	3.12¼	4.37¾
Oct. 29	4.84⅜	3.16¼	4.32¾
Oct. 30	4.84¾	3.15¾	4.27¼
Nov. 1	4.84¼	3.18½	4.32¾
Nov. 2	......	......	......
Nov. 3	4.84¼	3.25¾	4.30¾

FOREIGN EXCHANGE

Par		Oct. 27	Nov. 3
19.30	Italian	4.29	4.38½
32.45	Brazil	13.83	13.68
23.82	German	23.75	23.75
19.30	Belgium	2.78	2.78
84.85	Japan	48.89	49.00

Canadian Paperboard Has Output of 19,700 Tons

The Canadian Paperboard Company, Limited, has issued its annual report for the period ended March 31, 1926. Having changed its fiscal year from June 30, the company shows the results of only nine months' operations in this report Comparisons are therefore made difficult with previous statements, but the results seem to measure up satisfactorily on a proportionate basis.

The gross turnover for the nine months covered by the report was $1,241,294 as compared with $1,540,697 in the 12 months ended June 30, 1925. Net profits, after providing for all fixed charges together with reserves for depreciation, bad debts and income tax, amounted to $52,011, as against a net profit of $42,309 for the entire preceding year.

In his remarks to shareholders, president J. G. G. Kerry states in part: "The plants owned by the company were in operation steadily throughout the period, turning out in all 19,700 tons of paperboard. Prices on the open market were never satisfactory and competition was at all times keen and active, but not to an extent that deprived your company of a reasonable share of current business."

Mr. Kerry also states:

"During the period the company has been interested more particularly in the following matters:

"(a) The organization of the Quinte & Trent Valley Power Company, Ltd., which company has purchased the water-power holdings of your own company upon the Trent River and has proceeded with the development of same. The new hydro-electric power plants at Campbellford and at Frankford have at this date been placed in operation and a substantial reduction in the operating accounts of your own company will result.

"(b) The reconstruction of the steam power plant of the company in Montreal, this work being completed and placed in operation in April, 1926.

"(c) The organization of White Egg Fillers, Limited, a company which occupies part of your premises and buildings in Frankford, Ont., and which buys its raw materials exclusively from your mills."

CAN. CONNECTICUT COTTON REPORTS DEFICIT FOR YEAR

Profit and Loss Surplus Again Cut Into in 1926

Evidence of recent difficult times for the cotton industry in Canada is provided by the annual report of Canadian Connecticut Cottons for the year to September 11, 1926.

Gross profits amounted to $231,000. Income from other sources was slightly lower at $59,000, while deduction for expenses, reserves and other charges was higher at $229,270.

After deducting depreciation there was a deficit of $110,786 as against a deficit of $9,067 in the previous year. When other deductions were made for special expenses in connection with moving machinery into new plant, bad debt reserve, preferred dividends and sundry adjustments, the profit and loss surplus was reduced by $368,123 from $547,403 to $179,280.

The balance sheet, however, reflects a strong liquid position, though net working capital shows a decline of over $100,000. It is to be noted that current liabilities have been reduced to only $56,000.

The remarks to shareholders of S. R. Fuller, jr., chairman of the board and general manager and treasurer of the company, are in part as follows:

"Despite reduction in manufacturing costs the net average prices received for goods (approximately 8.4 per cent. lower than in the prior fiscal year) were so low that they were not equalized by the reduction in manufacturing costs. Prices for your company's goods are lower than they have been at any time during the past five years. On the other hand, the poundage produced by your company during the present year was greater than last year, and the number of customers on its books was increased. The amount of business on the books at the close of the fiscal year and at the present time, while not so great as at the corresponding dates a year ago, yet under present conditions throughout the cotton industry fairly may be considered as satisfactory. Therefore when the cotton business pendulum turns upward your company should show better results.

"The financial condition of your company remains strong. The working capital at the close of the fiscal year ended September 11, 1926, was $1,599,885. The ratio of current assets to current liabilities as at September 11, 1926, was 29.4 to 1. The cash on hand and in banks at the end of the fiscal year was $347,820; Canadian government bonds amounted to $754,500 (cost values). The total of these two items is $1,102,320. Conservation of assets throughout the year was rigorously practiced, and the inventory at the end of the year was $204,662 less than at the end of the prior fiscal year, a decrease of 38.1 per cent. The inventory turnover during the year was 6.6 times as compared with 5.5 times during the year ended September 12, 1925.

Profit and Loss Account

	1925-26	1924-25	1923-24
Gross prof.	$231,546	$295,998	$106,556
Other income	59,603	68,342	84,804
Total income	291,149	364,340	191,360
Exp., etc.	229,270	197,814	167,008
Net profits	61,879	166,525	24,352
Depreciation	172,665	175,592	x206,475
Deficit	110,786	9,067	182,123
†Sp. expense	36,387	.....	....
Deficit	147,173	9,067	182,123
B. D. reserve	10,000	42,000	......
Net loss	157,173	51,067	182,123
Pfd. dividends	120,000	150,000	300,000
Total loss	277,173	201,067	482,123
Adjust.	90,950	34,016	$1,941
Surp. loss	368,123	235,083	480,182
Prev. surp.	547,403	782,486	1,262,668
P. & L. surplus	179,280	547,403	782,386

*Including $32,615 reduction of inventory values.

†Expenses of moving machinery into new mill.

‡Credit.

Working Capital Figures

	Sept. 11 1926	Sept. 12 1925	Sept. 13 1924
Curr. assets	$1,656,146	$2,070,499	$1,689,346
Current liabs.	56,260	339,119	148,919
Work. capital	1,599,886	1,731,380	1,540,425

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter. A BONUS of TWO per cent. has also been declared for the year ending 30th October, 1926, both payable on and after WEDNESDAY the FIRST day of DECEMBER next, to Shareholders of record of 30th October, 1926.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th October, 1926.

THE CANADIAN BANK OF COMMERCE

Dividend No. 159

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1926, together with a bonus of one per cent. payable at the Bank and its Branches, on and after Wednesday, 1st December next.

The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 15th October, 1926.

The Royal Bank of Canada

DIVIDEND No. 157
AND BONUS

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent for the year ending November 30, 1926, and that the same will be payable at the bank and its branches on and after Wednesday, the first day of December next, to shareholders of record at the close of business on the 30th day of October.

By order of the Board,

C. E. NEILL,
General Manager.

Montreal, Que., October 12, 1926.

TENDERS

Sealed Tenders, endorsed "TENDERS," shall be received at the office of the Secretary-Treasurer of the Town of Buckingham, until Monday, the fifteenth day of November, 1926, at five o'clock in the afternoon, for the sale of $124,900 Town of Buckingham Bonds bearing interest at 5%, dated from the First of November, 1926, and payable serially from 1933 to 1955.

Denominations are 112 of $1,000.00, 12 of $500.00 and 69 of $100.00.

Interest payable semi-annually the first day of May, and of November each year.

Principal and Interest payable at the Bank of Montreal at Buckingham, Montreal and Toronto.

Each tender must be accompanied by a check equal to 1% of the par value of the issue, and the price offered must include the accrued interest on the bonds at the time of delivery.

The said Town does not bind itself to accept any of the Tenders.

H. J. GORMAN,
Secretary-Treasurer.

The Consumers' Gas Company of Toronto

NOTICE
of
ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on MONDAY, the 15th DAY OF NOVEMBER, 1926, at 12 o'clock noon.

By Order of the Board,

ARTHUR HEWITT,
General Manager.

Toronto, October 21st, 1926.

BELDING CORTICELLI LIMITED

DIVIDEND No. 48

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Dividend of 1¾% payable on the 15th of December to Shareholders of record at the close of business the 30th day of November, 1926.

By order of the Board,

JOHN P. KENNEDY,
Treasurer.

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Large Canadian financial institution with assets in excess of Fifty Million Dollars is desirous of strengthening its organization in Canada, particularly in Montreal, Toronto, Hamilton, London, Ottawa, Galt, Oshawa and other industrial centres. The position requires initiative, a pleasing personality and an enviable reputation. A wide connection would be of material assistance. The opportunity is presented to create a competence. Preference is given to young men between twenty-eight and forty. Reply in full stating age, education, present vocation, etc. All replies treated confidentially.

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Featuring British Columbia

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XX. PUBLICATION OFFICE: TORONTO, NOVEMBER 5, 1926 No. 45

Problems of Biggest B.C. Industry May be Solved by Lumber Mills' Merger

Over-Production From War Expansion Kills Profits

40 CENT HOUR HURTS

Little Indication That it Will Fulfill Purpose of Eliminating the Orientals and Benefit White Workers

THE lumber industry of the Pacific coast, both in Canada and the United States, is facing strenuous conditions. But then these conditions have prevailed now for several years, and the mill owners and loggers are working out their problems with some measure of success. Recent developments include plans for a big merger of Canadian and American mills, looking to a control of output which promises to bring about better prices, on the one hand, and the 40 cent minimum hour for the mill workers, which promises to seriously increase operating expenses, on the other.

The larger survey of the industry indicates that what is now occurring in the Pacific Northwest is a repetition of what took place in Michigan, and later in the South when these districts reached their maximum of production. These periods were accompanied by low prices and very narrow profits. As consuming demand increased and supplies were exhausted, prices advanced and the owners of timber land who held on through the period of low prices reaped the benefit. It would now seem that a period of maximum production in the Pacific Northwest is being entered upon. Its duration may be shortened by the fact that in this case it is the last readily accessible commercial timber area of the continent. On the other hand, because of the larger consumption of cement and steel for construction purposes, and the higher price for lumber because of transportation and production costs, the consumption of lumber per capita has fallen off from about 500 square feet to about 300 square feet, an important contraction but still leaving the per capita lumber consumption in North America about three times that in Europe. Thus the period of excess production may be protracted. It is evidently to meet this situation and future possibilities that the merger is being planned.

As to the future supply of timber the present operations are not regarded as a serious matter in relation to the total stand when it is taken into consideration that only the big timber is being taken and that trees grow very quickly. Trees of commercial value for the cutting of railroad ties have grown in 30 years, and a great many of the trees now being left standing would be marketable in much less time. The great menace on the Pacific as in other parts of the country is the forest fire which causes greater inroads into the forest supplies than all the activities of the lumbering interests.

Post-War Adjustment

As in many other industries, the war has had its influence on Pacific coast lumbering operations. Not only was there a collapse in prices following 1920, which materially cut the income of the operators, but a couple of years later there came a decline in demand. There was a substantial recovery in price later, but in recent years there has been little growth in consumption. The following table gives the total estimated value of lumber products for British Columbia from 1923 to 1925:

Year	Estimated Total Value
1913	$33,650,000
1914	28,680,000
1915	29,150,000
1916	35,528,000
1917	48,300,469
1918	54,162,523
1919	70,285,094
1920 *	92,628,807
1921	64,970,000
1922	59,477,000
1923	80,000,000
1924	80,702,000
1925	81,941,000

*Peak year of prices.

The following figures indicate the lumber cut in British Columbia. They show the output of sawn lumber of the Associated Coast and Mountain Mills, which represent about 80 per cent. of the total capacity of the province:

1917	1,090,000,000 Ft. B. M.
1918	1,063,000,000 Ft. B. M.
1919	1,091,000,000 Ft. B. M.
1920	1,228,000,000 Ft. B. M.
1921	953,000,000 Ft. B. M.
1922	1,090,000,000 Ft. B. M.
1923	1,308,000,000 Ft. B. M.
1924	1,235,000,000 Ft. B. M.
1925	1,333,000,000 Ft. B. M.

Heavy Taxes Paid

It has been estimated that directly and indirectly the combined timber industries furnish a third of the total revenue of the province of British Columbia. The following table shows the revenue derived directly from forest

(Continued on page 22)

The Biggest Industry

In British Columbia the timber industries are an easy first in importance, although in the Dominion of Canada the agricultural and general manufacturing industries rank higher. Capital invested in B. C. Timber industries as at January 1, 1924, was:

Mills, sawn prod.	(537)	$85,000,000
Mills, pulp prod.	(7)	50,000,000
Logging oper.	(2,640)	55,000,000
Total		$190,000,000

AN ALL-CANADIAN ROUTE NOW OPENED THROUGH ROCKIES

British Columbia Building a Good System of Highways

WHEN Dr. E. P. Doolittle, Toronto, president of the Canadian Automobile Association, arrived in Vancouver about the middle of September he formally opened the automobile trail from Winnipeg to the coast by an all Canadian route. From Fort William to Winnipeg there are still several breaks in a highway system which will shortly span the dominion.

The completion of the Cariboo highway through the Fraser canyon has been an important development in the completion of the great national highway. It is expected that it will further swell the great flow of tourist traffic passing through British Columbia, particularly from the Pacific States.

By its highway system British Columbia is capitalizing a very important natural asset—her scenery. In this respect no other part of the world has more attractions to offer. The investment in highways and in other facilities for the accommodation of visitors returns real dividends in trade and the capital asset—the scenery itself—remains unimpaired; there can be nothing more lasting than mountains.

British Columbia's roads to-day are valued at $48,111,300, according to figures just compiled by the public works department.

These figures are based on detailed surveys conducted by engineers all over the province in the last few months to find out exactly how much the highway system of the province is worth in dollars and cents.

Altogether the province now has 12,810 miles of earth roads, 4,000 miles of gravel roads, 445 miles of macadam, 133 miles of paved highway and 74 miles of bituminous highway. This is a total of 17,060 miles.

In addition to these roads the province has 9,000 miles of trails worth $2,700,000 and 6,000 miles of mining trails worth $600,000.

Projects like the Cariboo road, the Grand Forks-Rossland Highway, the road from Prince George westward to Hazleton, paving of the Pacific Highway and the Golden-Yoho Highway have all been carried out in the span of a few years.

The public works department's annual road programme is drawing to a close for this year now, but plans already are on foot for a big year in 1927. Work will start soon on the last link of the Transprovincial Highway the extension of the new Cariboo road from Lytton eastward to Spence's Bridge.

To complete plans for the new Crows Nest Pass Highway, Patrick Philip deputy minister of public works and public works engineer, will arrange with Alberta's engineers for the continuation of Alberta's new Crows Nest road westward through the narrow pass into British Columbia territory.

Expect Vancouver to Become Second City

The visitor to Vancouver meets on every hand the enthusiasm of a people based on great confidence in the future—a confidence which seems fully warranted in the developments of the present. They claim for their city a position only second to Montreal and Toronto in population, and talk of the time when it will be greater than any inland centre, and second only to the great eastern port on the St. Lawrence.

They will tell you that their faith in this very wonderful development is based on the opinion of such sound business men as Sir Herbert Holt, who has predicted that Vancouver will be Canada's second city—although making a broad reservation as to how many years it will take to bring this about. They point also to the recent statement of E. W. Beatty, president of the Canadian Pacific Railway, that "Vancouver's growth is phenomenal, and its prospects for future development are unequalled in Canada."

TOURIST TRAFFIC BRINGS BUSINESS AND PROSPERITY

Retail Trade Better in Summer Than at Christmas Season

HELPS REALTY VALUES

Vancouver Business Reflects Benefits, While Increasing Population Requires Extensive Building of New Residences

IN VANCOUVER recently, a piece of unimproved downtown real estate changed hands for $8,000. Some years ago during the boom in Western Canada a value of $40,000 was put on this particular piece of property.

This is not mentioned as indicating the slump in values from $40,000 to $8,000, but rather to show the recovery to the latter figure. For years it would have been impossible to have disposed of this property at practically any figure.

This may be taken as indicative of the recovery in real estate values in Vancouver during the recent and present period of prosperity. In regard to improved real estate the come back has been even more pronounced. It was reported just recently that property on Granville Street, in the heart of the retail section, had changed hands at better than $4,000 a foot which established a record even compared with the boom days.

All over the City both in the business section and in the residential districts there is evidence of great expansion. Big stores and numerous apartment blocks are springing up down town while in the new residential districts like Point Grey, miles of attractive homes are being put up and quickly occupied.

The value of building permits issued in Greater Vancouver in the first nine months of the present year amounted to $21,992,778, being an increase of $7,769,507 over the total for the corresponding period of 1925. In Point Grey permits were issued for the construction of 1,009 homes during the period referred to or a total valuation of $4,187,600 whereas last year the permits during the corresponding period were for 930 homes, valued at $3,770,700. In South Vancouver, Burnaby, North Vancouver and West Vancouver the figures reflected similar activity in the building of new residences.

Not a Spectacular Boom

And all this without any indication of a boom in the sense of speculative boosting of values. Unimproved residential real estate is moderate in price and the homes are being built and sold at a cost to the owner generally attractive on a rental basis. Not only this, but there is a general tendency not only among business men but among residents of the city generally to discourage anything like speculation and the lessons of the past are still too vividly remembered, it is believed, to permit of anything

(Continued on page 19)

The Source of Much of B.C.'s Wealth

Here is illustrated a typical stand of timber on Vancouver Island. The total stand in the province is estimated at 336,300,000,000 feet of merchantable timber, or half of the total for the whole of Canada. About half of the British Columbia timber classifies as pulpwood.

Where They Play Golf 362 Days in the Year

COLUMNS of vivid description and statistics as to temperatures and precipitation could not give to the average reader a more convincing picture of the Pacific Coast climate than the fact that at the Uplands Golf Club in that city guest playing cards were issued 362 days out of the 365 in a year. This was brought out at the recent committee meeting.

A climate where golf can be played on all but three days in a year is an asset which can hardly be overestimated in any campaign to attract not only tourists but permanent residents. Of course, it will be admitted by Victoria residents that the last year has not been quite a normal one, but, even so, the city's remarkably even temperatures and light rain falls are responsible for living conditions not far short of the ideal. Conditions vary as between different parts of the province, and Vancouver on the mainline has considerably heavier precipitation than Victoria, but here, too, as over a great portion of the area of British Columbia between the mountains and the ocean, the range of temperatures is very narrow as compared with the central and eastern portions of the continent.

In the campaign being organized in Vancouver and Victoria to bring to the attention of tourists seeking a delightful holiday, or people looking for a permanent location where climatic conditions are unusually attractive, Canada's Pacific Northwest does not propose to take second place to either Florida or California. There is given an illustration in the case of the American millionaire who recently bought a small island near Victoria to make his permanent home. This man, born in New York, of British parents, had until recently been living in Florida but took advantage of the recent boom there to dispose of his estate and, after studying climatic conditions over all North America, selected the Pacific Northwest as coming closest to the ideal. This decision was reached prior to the Flor-

(Continued on page 21)

Biggest Single Development in B.C.

CONSOLIDATED Smelters production in British Columbia this year will total $35,000,000. What the figures will reach in a few years is hard to tell. Smelters has a tremendous expansion program under way both at Kimberley and Tadanac, near Trail, which to-day stands out as the biggest individual development in the province and compare favorably with any other single industrial development in the Dominion.

What Smelters development at Kimberley has meant to B.C. is shown by the development of that centre. In 1918 there were 200 people at Kimberley, 1924, 800, and to-day it boasts a population of 5,000. But this is not all. As a result of the Kimberley concentrator and Sullivan mine development the Tadanac plants, generally referred to as Trail Smelter, have rapidly expanded and at the present moment have a number of enlargements under way, which not only involves the expenditure of large sums of money in construction work, but is going to mean the addition of a number of regular workers.

The big Sullivan Concentrator has been increased by 1,000 tons daily to 4,000 tons. This will not mean a great addition in milling hands, but will allow for expansion underground and 25 per cent. increase in the production of the operation.

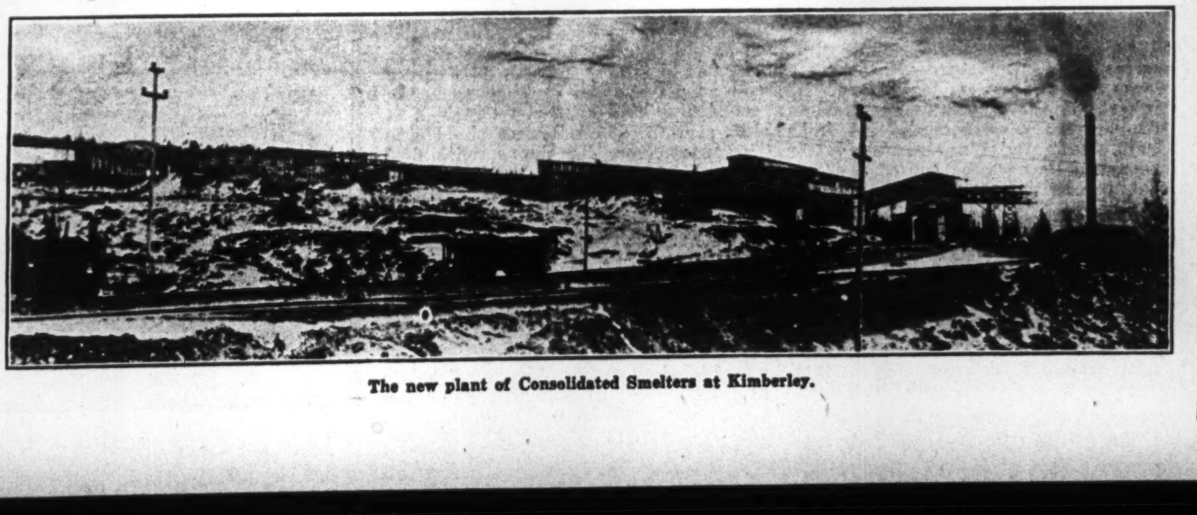
At Tadanac the two striking features are the increases in the zinc and lead plant. Smelters already stands out in world production of these metals, yet it is proposed to increase the output of zinc by 80 tons to 280 daily and the lead by 50 tons to 400 daily.

Besides Smelters is looking for a steady increase in the tonnage of customs ores to Trail Smelters, for they are increasing the crushing and sampling plant to handle a larger tonnage and also increase efficiency, while at the same time the silver refinery is being enlarged.

The company just erected a mill at Moyie to treat a large tonnage of rich tailings, but these will not be handled during the winter. So that the mill will not be closed, a crushing plant has been installed and concentration of customs ores during the winter will open up facilities for a number of properties to ship milling ore. The importance of this is realized when it is pointed out that in the boundary district there are numerous small operations taking out high grade and in most cases leaving good mill ore, because the smallness of the operation did not permit the erection of a mill. Thus the provision of milling facilities is not only going to help these smaller operations, but will add materially to wealth and production of the area. It immediately adds millions to the ore reserves of the mines of the district.

All these extensions have made necessary another expansion, power. Smelters is going to need a great deal more electric power, and its subsidiary, West Kootenay Power and Light, will provide this by the expenditure of $3,000,000.

The new work will be the hydraulic development of 60,000 horsepower situated one mile down the Kootenay River from the Lower Bonnington. The undertaking will be started almost immediately, a large staff being employed just as soon as low water permits construction of the coffer dam. In the next two years it will give employment to 600 men.



The new plant of Consolidated Smelters at Kimberley.

MINERAL OUTPUT OF $100,000,000 EXPECTED SOON

Indications That Prediction of Sloan Will be Borne Out

REVIVAL IN SLOCAN

One of the Interesting Developments Which May Bring Back Historic Camp—Smelters the Big Factor

BRITISH Columbia's mineral production in 1926 will duplicate the feat of 1925 and set a new record. The increase will amount to between $5,000,000 to $10,000,000, perhaps the latter. In fact such an increase is necessary if the prediction of Hon. William Sloan, British Columbia's minister of mines, is to be fulfilled, that in three years time the mineral output of the province will reach $100,000,000.

This is a material increase. The 1925 figures were $61,492,000, having jumped from $46,704,000 in 1924 or $15,000,000. To meet up with the minister's predictions, an increase of $13,000,000 each year for three years is necessary.

If anyone should know what British Columbia is capable of doing in a mineral way, it is Hon. Mr. Sloan, so that a great deal of credence should be put in his estimate. He says that in every part of the province the industry has shown marked and in some instances phenomenal development.

The most outstanding feature is the development of Consolidated Smelters. This has had a two-fold result. It has resulted in a $5,000,000 increase in the output of the big company itself and which this year will total $35,000,000 according to President J. J. Warner, or nearly half the output of the province. It has also lent encouragement to owners of other properties in the Kootenays and boundary country to resume operations, and in this way there has been another increase in production. Smelters cut its custom charge to encourage the shipping of customs ore and has also started the concentration of others, so that milling ore is now shipped to Trail and shortly, if not already, will be treating custom ores at Moyie.

Revival in the Slocan

This is only one section of British Columbia. Portland Canal area stands out. This is the home of the famous Premier, and the camp has a dozen other very attractive looking prospects that are coming along very well. Of the latter Dunwell and B. C. Silver are forging ahead and are mines. The old Slocan country is coming back in a striking way and placer operations are taking a spurt ahead. Granby and Allenby and Britannia Copper are all doing well.

The present year has been marked by the launching of a number of large mining ventures in the province, financed by the most part by outside capital. These are indicative of the active interest that has developed in B.C. mining.

Outstanding of the new propositions is the proposal to establish an iron and steel industry in the Fernie district. The idea is to draw considerable iron ore from Montana and some from nearby B. C. deposits to mix with it and to establish smelter and steel plants. This will provide a market for a large tonnage of Fernie coal. The advance being made in the study of titaniferous iron ores may prove a factor later, as it is known that there are some large deposits of this ore in Southern British Columbia.

Knew Vancouver When a Frontier Village

ALTHOUGH still comparatively a young man in years, R. H. H. Alexander, secretary of the B. C. Lumber Association, gives place to few in the contest for the oldest resident of Vancouver. He is a real British Columbian, having been born in Victoria and has been a resident of Vancouver since the days when that place had no more commercial importance to Canada than could be accorded to a frontier community boasting a couple of small lumber mills and probably more Reds than Whites among its residents.

Mr. Alexander's intimate knowledge of Vancouver goes back long before the days of the Canadian Pacific to the time when Westminster was more important in the shipping world than the present metropolis of British Columbia and Victoria was the commercial and financial centre of the Canadian Pacific Coast.

In those days Canada's Pacific ports were reached either by the perilous journey around the Horn, or overland across thousands of miles of mountain and prairie from Eastern Canada. Mr. Alexander as a boy came east for his education, making the trip by railroad across the United States which had by this time provided a steel link between San Francisco and the Atlantic.

Canada's Great Future in Pacific Trade Through the Ports of British Columbia

Remarkable Development in International Trade Between Countries With Water Access to the Far East — Panama Canal a Big Factor in the Recent Commercial Growth of Vancouver

THE new route via the Panama Canal, the awakening of interest in Occidental customs in the Far East with its resultant demand for materials produced and manufactured on this continent, prosperity and heavy buying of goods in Australasia, the building boom of Florida and the Atlantic seaboard — all these factors have contributed to the upbuilding of Vancouver as a seaport during the past year.

In the first half of this year Vancouver handled 1,461,504 more gross tons of all classes of shipping than in the corresponding six months of the preceding year. The increase in vessel movements has been 753. No less than 522,495 more tons of freight were brought into the harbor and 986,909 more tons of freight shipped in the first six months of this year as compared with the corresponding period of 1925. In inward freight there was an increase of nearly a half million tons in local business and 70,000 tons from foreign ports, a grand total of nearly 600,000 tons.

In the increase of inward freight are large quantities of building materials, indicating the activity in construction on the waterfront and in the city. Outward movements show increases in most commodities. Grain, lumber and general cargo each has grown. In the outbound cargoes paper and pulp shipments figure largely in the increase.

There were 7993 local coastwise sailings during the first six months of 1925, 176 foreign coastwise and 409 deep sea sailings. In the first six months of 1926 there were 8069 local coastwise sailings, 715 foreign coastwise, 547 deep sea—a substantial increase in all three categories.

Panama Canal the Big Factor

Probably the most potent factor in the development of Pacific trade out of Vancouver has been the Panama Canal, which has opened up new routes between almost all the principal markets of the world. This development in relation to the trade future of Vancouver was particularly dealt with by Robert Dollar, past president of the Vancouver board of trade, at the economic conference at Winnipeg, which led to the formation of the Canadian Board of Trade.

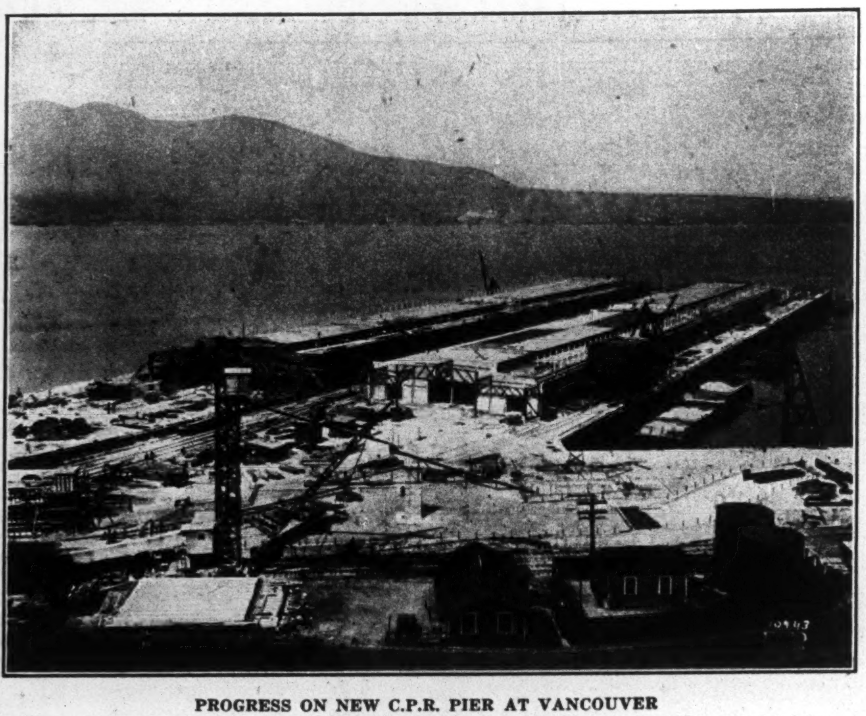
Mr. Dollar discussed the meaning of the opening of the Panama in terms of Pacific trade. Take the United States for example. In 1913 that country imported from Pacific countries four hundred and fifty million dollars' worth of goods. Seven year later—that is, six years after the Panama Canal was opened—the United States imports reached the huge figure of two billion dollars. United States exports to Pacific countries in 1913 of three hundred and forty-six million dollars rose to the tremendous total of one and one-half billion dollars by 1920.

Let us cross the Pacific to Japan. In 1913 a total export trade of six hundred and eighty million dollars, of which four hundred and fifty million was actual Pacific trade, had risen in 1920 to two and one-quarter billion dollars, of which her Pacific trade amounted to one billion seven hundred and fifty million dollars. Likewise her imports rose from three hundred and sixty-five million dollars in 1913 to one billion one hundred and sixty million dollars in 1920.

These figures indicate an extraordinary growth in the Pacific Commerce of the two countries I have mentioned, United States and Japan. But the same growth is evidenced by the statistics relative to the foreign trade of all Pacific Ocean countries. For instance the trade of Dutch Indies to Japan rose from eighteen million to thirty-four million dollars in the period mentioned, and from Japan to the Dutch Indies from two and one-half million to fifty-three million dollars. Trade from China to Japan increased from thirty million to one hundred and nine million dollars, and from Japan to China the increase was from seventy-seven million to two hundred and five million dollars. From India to Japan a trade of eighty-six million dollars rose to one hundred and ninety-seven million dollars. I could continue giving you similar illustrative figures, but the point which I wish to emphasize is that the total volume of foreign trade of all the principal countries bordering on the Pacific Ocean has increased enormously and very rapidly during the past ten years, and the process is still going on.

In 1914 Canada's exports to Japan amounted to one and one-half million dollars. In 1924, this had risen to twenty-seven million dollars. In 1914, to Hongkong, we exported two million dollars worth of goods, and in 1924, this had increased to three million. In 1914, exports to India were four hundred thousand dollars. In 1924, this figure had increased to three million. In 1914, the exports to China amounted to approximately half a million dollars worth of goods. In 1923, this had increased to thirteen million. In 1914, the Australasian exports showed at total of four and three-quarter million. In 1923, this had increased to eighteen and three-quarter million dollars. In 1914, we exported to New Zealand two million dollars' worth of goods, and in 1923, approximately eight million dollars.

The exports to Japan, China, and India all show very great increases, while in the exports to Australia and New Zealand there is also a decided improvement. United States exporting trade to Australia increased from forty-three million to one hundred and twenty millions, and to New Zealand from eight and one-half million to forty-eight and one half millions.



PROGRESS ON NEW C.P.R. PIER AT VANCOUVER
A recent photograph of this important undertaking, which it is expected will be completed by January 1, 1927, at a cost of approximately $6,000,000.

Canada's Position on the Pacific

Canada's position on the Pacific is an exceedingly interesting one and offers undoubted opportunities for conjecture as to its future. There is one outstanding point to remember. Never before in the history of the world has there been such keen competition for business as exists to-day on the Pacific Ocean. Canada must grasp her opportunity now before it is too late. The modernizing of the Commercial Intelligence Department of the Government has accomplished a great amount of good and Canada should be proud of the young and active men she has sent out into the foreign field, but this is not enough. Our business men must realize that business abroad can only be secured and maintained by personal contact.

The United States to the south of us has demonstrated this, and successfully so by the manner in which she has catered to the Oriental markets. The foreign buyer wants to see you personally. He wants to know something of your methods of doing business, and you in turn should know all about his. His customs are different to ours. His methods must be studied and catered to. If he wants his goods put up in certain containers, don't argue. Give him what he wants. Remember he is paying the piper and should be privileged to call his own tune.

Development of Pacific Trade

Let us turn for a moment to more local matters affecting Canada and her Pacific Coast. What has been the effect on the development of Pacific Ocean trade during the past decade? In 1914 there were only five ocean going lines operating out of the port of Vancouver. The total number of ocean going vessels which entered the port was one hundred and forty-four. The facilities of the port were far from adequate. There were no grain elevators, no dry-dock, no modern cargo-handling facilities. What has been the change during the past ten years? Remember, the Panama Canal was opened in 1914. To-day fifty-four steamship lines operate to the port, of which nearly fifty per cent. do their trading via the Panama Canal. The number of deep sea ships entering the port have multiplied seven times, the number of deep sea ships in 1924 reaching one thousand and nine, and these ships trade all over the world.

It may be interesting to mention some of the countries to which Vancouver now has direct sea communication without trans-shipment: Argentine, United States, Atlantic Coast, Australia, Belgium, Brazil, Chile, China, Colombia, Costa Rica, Denmark, Ecuador, England, France, Fiji, Germany, Guatemala, Hawaiian Islands, Holland, India, Ceylon, Italy, Japan, Mexico, Nicaragua, Norway, Peru, Philippines, New Zealand, Salvador, Spain, Uruguay, West Indies.

Another indication of the increasing importance of the Pacific is the advent during the past decade of a large fleet of modern fast passenger liners of large tonnage, equal in luxuriousness to the Atlantic lines. To China and Japan, both from Canada and the United States, to Australia and New Zealand, these liners ply, and it is interesting to note that the cost of passage from the Orient to Europe is the same via Canada as via the Suez, and the time is faster. It is also now the custom to go to Australia via England and the Suez and return via Canada or vice versa. Canada is now on the highway of world travel, and in the lobby of the Vancouver Hotel you will meet men of many countries and races.

By reason of the fact that the fastest and finest trans-Pacific liners make Vancouver their terminal port on this continent, Vancouver occupies a leading position on the Pacific Coast as a passenger port. Vancouver now has some of the most modern concrete piers on this continent, shed accommodation for one hundred and forty-seven thousand tons of cargo, berthage for thirty-seven deep sea vessels, nearly thirty miles of railway trackage on piers and yards, and modern dry-dock of fifteen thousand tons capacity; also grain elevator capacity of approximately six and one-half million bushels. Vancouver has to-day a modern, well equipped port, well able to take care of the greatly increased volume of traffic and of the rapidly growing commerce which is offered.

Sees Vancouver as Premier Port of Canada and of the Whole Pacific Coast

By HON. R. RANDOLPH BRUCE, Lieut.-Governor of B.C.

"When I remember that only fifty-two years ago, at the time British Columbia entered Confederation, the population of the whole of this province was but 60,000, and that now it is 600,000, I am more than proud of the tremendous development that has taken place in our province in so short a time.

"But I am not only proud of our progress; I am stimulated to look ahead and try to realize what the future holds for us. Certain it is that if, in the past fifty-five years, our population has increased from 60,000 to 600,000, and if it continues to increase at a similar rate, which I believe it will, many of us here to-day will live to see six million people residing in British Columbia and helping to make of our province a world-force in commerce and manufacture.

"I am tremendously enthusiastic about this province of ours, and I am more than optimistic about its future. One has but to look around this wonderful city to see the remarkable progress and development that is taking place. Vancouver is the premier port of British Columbia, and I do not hesitate to say it is destined to become the premier port of all Canada. Further, I can see no reason why it should not become the premier port of the whole Pacific coast.

"But we must not lose sight of one very cogent fact. A port is only the gateway from and into a country; and it is largely the development of the interior of that country which determines its place in the commercial history of the world. Vancouver is the gateway to a vast and largely undeveloped interior, and its growth as a port is but an index of the growth and prosperity of that interior.

"The fact that the movement of manufactured goods and grain is increasingly growing greater along the main arteries of traffic leading from the province into the great West and Middle West of Canada, has, of course, been the cause for a great deal of the development we see here, but the growth of the interior of our own province is to an equal extent responsible.

"The time will come, and come quickly, when British Columbia products will so far outweigh the combined freight passing into and through the province from outside her boundaries, that the latter will be comparatively insignificant."

For the Sun Shines Bright on Pacific Coast Cities

SUNSHINE	
Victoria	2268 hours
Vancouver	1880 hours
Invermere	2014 hours
Summerland	2005 hours

Kamloops has upheld its title as "The City in the Sun," according to a meteorological bulletin for the year 1925, compiled by F. Napier Denison, superintendent of the Dominion observatory, Victoria. During the year 2376 hours of bright sunshine were recorded in the inland city, which was seventy-eight hours more than the record for 1924. Victoria came second with 2268 hours, followed by Invermere (East Kootenay), with 2014 and Summerland (Southern Okanagan) with 2005. Vancouver had 1880 hours of sunshine, which was slightly more than its usual quota, its average for the past ten years being 1861.

Although last summer was recorded as being unusually hot and dry, the highest temperature—105 degrees—was four degrees less than the highest of the previous year, when 109 degrees was recorded at both Grand Forks and Waneta. The latter can again claim to be one of the "hot spots" in British Columbia, but shares the distinction with several other places, a similar temperature being reported at Osoyoos, Woods Lake (Alvaston), Greenwood and Lillooet. Other warm places were Castlegar and Tappen, 103 degrees, and Oliver, Grand Forks, Naramatta and Enderby, 102 degrees. The hottest in Kamloops was 100 degrees, which temperature was also recorded at Penticton, on Okanagan Lake, and Vavenby, up the North Thompson.

Vancouver's Average

The highest temperature in the lower Fraser district was at Stave Falls, where the thermometer reached 103.5. In Vancouver the mercury ascended to 92.4 degrees, 2.5 degrees higher than the maximum of the previous year. It may be of interest to mention, as showing the favorable climate of Vancouver, that the average temperature for the whole year for a ten-year period is 49 degrees, while the average for July and August for a similar period is 63 and 62 degrees respectively. New Westminster experienced a little hotter weather last summer the thermometer reaching 98.8 on the warmest day.

Alberni was the hottest spot on the coast, a temperature of 100 degrees being recorded. In Victoria the hottest day showed 95 degrees of heat.

Coming now to the coldest spot, the record goes to Atlin with 54 degrees below zero. In the previous year the record was held by Swift Creek, a C. N.R. station, 200 miles up the North Thompson from Kamloops, with 60.2 degrees below zero, but the latest bulletin fails to give any record from this place. Last winter was generally milder than usual and apart from Atlin no records of 40 degrees below zero or lower were registered. The coldest spots were in the Upper Fraser district, Vanderhoof recording 32 degrees below zero and Prince George 31. In Cariboo the lowest was 14 below at Big Bar and 7 below at Barkerville; 21 below at Princeton was the lowest in the Similkameen. On the C.P.R. main line the lowest was 16 below at Golden, 11 below at Field and 2 below at Kamloops, while Revelstoke did not experience anything worse than zero.

Warmer Than in 1924

On the coast the weather was much warmer than in 1924. The lowest temperature in Vancouver was 27 above zero—only 5 degrees from frost—whereas in 1924 the thermometer dropped to 9 degrees above zero. New Westminster was 2 degrees colder than Vancouver, while Victoria was 1.8 degrees warmer. Nowhere in the lower coast district did the thermometer fall below 22 degrees above. Along the northern coast, Anyox was the only place where the temperature was below zero, the thermometer recording 1.5 degrees below. At Prince Rupert the lowest temperature was 22 degrees above.

As regards rain, Henderson Lake (Kildonan), a settlement on Uchucklesit harbor, Barclay Sound, easily holds the record with 254.81 inches for the twelve months, though this huge rainfall is over 20 inches less that of 1924. Other points on the west coast of Vancouver Island that are not short of water are Tofino with 168.72 inches, Port Nitinat with 123.34 inches and Clayoquot, 104.21.

Vancouver has two gauges, one at the City Hall and the other at Kitsilano, about three miles apart. At the former a rainfall of 51.96 inches was shown and at the latter only 50.58. A peculiar instance of the effect of the neighboring mountains on the rainfall is shown by a comparison with the figures for Ladner and Steveston which, though only a few miles away, had a much lighter rainfall, that at Ladner being only 26.94 inches, and that at Steveston 33.33 inches. New Westminster had nearly as much rain as Vancouver, its gauge reading 49.12 inches. Victoria, as usual, had less than half Vancouver's rainfall, 20.57 inches.

Rainfall Heavy in North

On the north coast Prince Rupert had nearly 20 inches less than the previous year, its record being 87.64 inches. The maximum precipitation in twenty-four hours was 2.08 inches on one day in September, a fall which was almost equalled by Vancouver, where 2.06 inches fell in twenty-four hours in January. Rain fell on 203 days in Prince Rupert and on 150 days in Vancouver. Surf Inlet, Ocean Falls and Lockeport, in the Queen Charlotte Islands, had, as usual, a generous supply of rain.

Writing of rainfall reminds one of the water supply, so that it may be of interest to mention that the records show a fall of 141.39 inches on Capilane Creek, 62.21 inches at the Lynn intake and 107.10 inches at Seymour intake, while at Coquitlam Lake, the source of New Westminster's supply, the gauge read 134.54 inches.

The driest spot in British Columbia—of course as far as rainfall is concerned—is Laluwissin Creek, Lytton, where the whole year's rainfall only amounted to 2.76 inches. Ashcroft had only 4.31 inches of rain; Keremeos, 4.32; Mamette Lake, 4.48, and Tranquille 4.85. Kamloops had 7.11 inches and many other places in the "dry belt" had under 10 inches.

Snow Deepest at Glacier

Glacier is still the British Columbia residence of "Our Lady of the Snows," for though all other places reported a lighter snowfall, this mountain resort had a fall of no less than 418.20 inches, 100 inches more than the previous year. Anyox came next with 281.90 inches; then Barkerville with 237.70; Mill Bay, 193.25, and Terrace, 106.

In the coast district the Tunnel camp at Britannia Beach had 100.20 inches and Daisy Lake on the P.G.E. 56 inches, nearly 30 inches less than in the preceding year. Victoria had only .90 inches and New Westminster, 4.50 inches. The Kitsilano gauge recorded 4.90 inches, while according to the one at the City Hall no snow fell in that locality.

Vancouver, Victoria and Prince Rupert were almost equally unfortunate in the matter of foggy days, the number being 28, 26 and 23. Vancouver had nearly a monopoly in thunderstorms, having had four, as against one in Victoria and none in Prince Rupert. But the northern port certainly holds the record for wind, the maximum velocity recorded being 66 miles per hour as compared with 50 in Victoria and 20 in Vancouver.

HOP INDUSTRY IS GROWING IN B.C.

There has been an interesting change in the situation regarding production of hops in Canada. While a certain acreage has always been under cultivation in British Columbia, the resultant crop has largely been exported to Great Britain and while the production would in no case have been large enough to take care of Canadian requirements, yet practically the whole hop consumption in Canada has been from the imported product.

To-day the situation is rapidly changing owing to expansion in acreage in this industry. The result is, that by the end of this year, some additional 730 acres will be under new crop; as a matter of interest, this industry had to advertise for hop pickers to take care of this year's harvest. The principal planting is done in the reclaimed areas of the Sumas district. The market, instead of export, is now largely in Canada. It will be interesting to note during the next few years the changes which should take place in the import and export figures.

GOOD telephone service is our contribution to the innumerable assets which make southern British Columbia a promising place for ambitious men.

BRITISH COLUMBIA TELEPHONE COMPANY

Industry Providing an Ever Increasing Payroll

Amount Paid to Industrial Workers $116,000,000 in 1925 and is Increasing — More Chinese But Fewer Japs and Hindus

EXPANSION of British Columbia industry on a large scale and in many directions is shown by the report of the Provincial Labor department for 1925.

These salient facts are shown:

The total industrial pay-roll of 1925 reached the large figure of $159,959,820, as compared with $151,037,316 for 1924.

Of this amount Greater Vancouver contributed $56,065,917, or 35.05 per cent., as against $54,449,747 in the preceding year.

Firms with a payroll of more than $100,000 numbered 196 last year, a figure which does not include government authorities, trans-continental railways, wholesale and retail merchants or deep-sea shipping.

Average weekly wages last year totalled $27.82, a sharp drop from the 1924 figure of $28.39. This drop of about 2 per cent., however, is more than offset by a reduction of 4 per cent. in the duration of the average working week. Calculated on an hourly instead of a weekly basis, 1925 wages probably would show an increase over those of the previous year.

The proportion of Orientals in industry is declining substantially. Orientals last year represented 11.30 per cent. of the total laboring population, and this is the smallest percentage since 1918.

British Columbia's new labor supplies are coming now from northern Europe, being composed largely of Scandinavians, Russians, Austrians and Germans. English-speaking countries supplied 70.85 per cent. of the province's labor in 1925.

Employment is showing a steady increase, 5,311 more men and women being employed at the end of 1925 than at the beginning of the year.

The number of returns received from industrial employers in the province was 4,138, with a payroll of $115,943,238, compared with 3,566 and a payroll of $107,798,771 for 1924. The report also makes an estimate of the additional payroll of industries not within the scope of the enquiry. This brings up the total industrial payroll of the province for 1925 to $159,959,820. 35.05 per cent. of our industrial payroll is located in Greater Vancouver, as compared with 36.05 per cent. in 1924, Greater Vancouver having been taken for this purpose to include the city of Vancouver, North Vancouver, South Vancouver, West Vancouver, Point Grey and Burnaby.

The rest of the mainland, with which also are grouped the Queen Charlottes and the Northern Islands, has 45.93 per cent., compared with 45.02 per cent. in 1924, and Vancouver Island, taking in also the Gulf Islands, has 19.02 per cent., as against 18.93 per cent. in 1924.

Best Since Before War

The increase is fairly well distributed among most of the different departments of industry, and, without indicating a boom in any particular line, it shows a very satisfactory advance. In building and contracting, 1925 has been referred to as the best since pre-war times, and, indeed, was hardly surpassed in any one year in the hectic period between 1909 and 1912. It is, therefore, not surprising that the figures for this industry went up by well over a million, and that the extra demand for builders' materials also sent up the payroll there.

All kinds of workers seem to have shared in this advance—the provision of new residences; bridge and dock building, industrial establishments, and in the city of Vancouver, important extensions to stores, the general impression being that these operations were not so much in the nature of anticipating an expected demand as of meeting one that had already made itself felt.

Coast shipping, true to its record for several years past, again increased its payroll for the year, this time by more than a quarter of a million. In the manufacture of food products the province again made a notable advance in its wage list, the total rising by $1,349,634.13, of which the operations of cereal milling, creameries and dairies, fish and fruit canneries, bakeries, jam making and packing houses all seem to have had their share. This is full of encouragement, suggesting as it does that we are getting on well with the business of converting into terms of wealth and wages the products of our own province. The lumber industries paid out in wages $676,385.79 more than in 1924, and this figure would doubtless have been much higher but for the slackening of logging operations in the summer months, caused by the abnormally high risk of fire.

Metal mining had an excellent year, with nearly three-quarters of a million more going out in wages, and an even better increase was recorded by the kindred industry of smelting. Most of this additional activity was in the southern interior, though there has been much talk of the expected greater development of producing areas in the north.

Good Working Increases

That more of British Columbia's timber products are going to their customers in a finished state is the meaning of an increase of $284,055.54 in the wood manufacture group, which comprises sashes and doors, plywood, boxes, etc. The greater call for public services, necessitated by a larger volume of business and an increased population, has brought about an increase of over a million dollars in the payroll of the group comprising street railways, gas, water, electricity, etc. So also we note a substantial increase in the wage payments for printing, laundries, oil refining, etc.

Two of the principal industries which show a decreased payroll are coal mining and the manufacture of explosives and chemicals. The former has been going through a very critical period, one sign of which has been the acceptances of reductions of wages by the miners in the two chief producing areas of the province. The effect of this was more constant employment and some increase in its volume, but a slight falling-off in the amount paid in wages. Shipbuilding and repairing, an industry very subject to fluctuations, also came below the 1924 total by nearly a quarter of a million.

Native Canadians and natives of the United Kingdom make the largest contributions to our industrial population, the former being rather more and the latter rather less than one-third of the total. Adding to these the smaller numbers of natives of the United States and Australia, we find that English-speaking countries supplied 70.85 per cent. of our labor in 1925, compared with 72.33 per cent. in 1924 and 69.61 per cent. in 1923.

Orientals Fewer

The proportion of Asiatic workers in our industries also shows a decrease, and the 11.30 per cent. of Orientals is the smallest percentage recorded in any year since 1918. In that year 20.37 per cent. of our industrial workers were of Asiatic origin. In the following year the percentage fell to 18.35, in 1920 to 16.64, and in later years it was 14.45 in 1921, 14.61 in 1922, 13.85 in 1923, 11.97 in 1924, and now 11.30. While the Chinese in our industries have increased their numbers and kept up their proportion, both the Japanese and the Hindus are a smaller factor than in 1924.

The industrial firms in the province whose returns to the department show a payroll of over $100,000 have been numbered each year since 1921, in which year the total was 118. In the following year the number increased to 164, in 1923 to 200, and in 1924 it fell back to 196, at which figure it remained for 1925. Eleven of these firms had each a payroll of over $1,000,000, two of them being between $2,000,000 and $3,000,000, and two over $3,000,000. This list does not include any public authorities, Dominion, provincial or municipal; neither does it take account of transcontinental railways, wholesale and retail merchants, or deepsea shipping.

Lumbering First

Lumbering takes the first place with 89 firms, or three fewer than in 1924; and 17 are in the food products group; 14 in contracting; 12 in coal mining; 11 in coast shipping; 9 in metal mining; 7 in the public utilities group; 6 in the metal trades group; 5 in printing and publishing; 4 each in shipbuilding and pulp and paper manufacturing; 3 in the builders' materials group; 2 each in laundries, oil refining, smelting and the manufacture of wood, and 1 each in breweries, the manufacture of explosives, garment making, house furnishing, jewelry manufacturing, paint manufacturing and the miscellaneous group.

Sources of Wealth in B.C.

Compiled by B. C. Products Bureau, Vancouver Board of Trade.

Forest Production

Description	1925 Value	1924 Value	1923 Value
Lumber, MBM	$41,350,000	$41,800,000	$47,600,000
Pulp and Paper	14,466,000	13,938,000	15,018,000
Shingles	10,000,000	10,000,000	9,869,000
Boxes	2,200,000	2,272,000	2,072,000
Laths	....	550,000	500,000
Poles and Piles	2,400,000	2,100,000	2,200,000
Mining props and posts	1,800,000	1,400,000	1,500,000
Woodworking industries	2,100,000	2,100,000	2,000,000
Miscellaneous, railways, etc.	7,625,000	6,542,000	5,915,000
Totals	$81,941,000	$80,702,000	$86,674,000

Waterborne Lumber

	1925 Feet B.M.	1924 Feet B.M.	1923 Feet B.M.
Australia	40,228,887	34,848,783	78,003,423
New Zealand	12,619,730	12,169,230	11,252,890
South America	2,168,921	752,906	717,600
China	10,783,086	25,595,993	36,398,234
Japan	67,671,449	79,107,984	105,916,915
U. K. and Continent	53,845,649	41,527,008	16,201,290
South Africa	8,875,544	10,681,208	8,221,032
India and Straits Settlements	3,359,869	2,228,150	4,803,236
United States	361,016,940	313,104,821	248,611,600
Philippines and T. of Hawaii	56,863	134,690	4,361,139
West Indies and Cuba	667,012	544,604	994,341
South Sea Islands	2,610,143	3,454,183	3,665,241
Egypt	12,820,848	6,883,150	1,705,394
Mexico	....	....	677,756
Foreign, Unclassified	835,317	229,608	177,041
	577,560,288	531,262,318	521,707,132

Agricultural Production

	1925		1924		1923
Description	Value	Quantity	Value	Quantity	Value
Livestock	$18,256,229	....	$16,790,007	....	$15,920,028
Meats	1,781,896	26,953,785	1,310,676	25,028,969	1,188,170
Poultry products	4,745,723	....	4,232,562	....	3,952,979
Dairy products	10,629,350	....	9,769,549	....	9,234,576
Fruits, lbs.	5,413,894	138,636,000	5,419,238	176,887,879	6,034,976
Vegetables, tons	7,660,453	219,933	6,874,983	231,883	5,853,626
Fodders, tons	11,629,132	582,935	10,671,692	671,556	12,312,725
Grains, bushels	4,251,321	4,501,590	4,253,512	4,925,027	3,966,837
Miscellaneous	785,515	....	707,005	....	695,881
Totals	$65,153,513	....	$60,029,224	....	$59,159,798

Fisheries Production

	1925		1924		1923
Description	Value	Quantity	Value	Quantity	Value
Salmon, cwt.	$14,966,445	1,965,159	$13,026,604	1,514,765	$11,936,668
Halibut, cwt.	3,898,385	330,591	5,427,542	334,667	6,271,993
Herring, cwt.	1,721,232	1,157,625	1,392,560	1,035,823	1,338,450
Cod, cwt.	264,436	40,530	288,829	29,251	203,056
Black Cod, cwt.	110,315	18,183	130,334	16,679	136,492
Pilchards, cwt.	182,911	27,485	82,881	19,492	92,036
Crabs, cwt.	50,605	5,957	40,197	8,373	61,482
Clams, bbls.	161,664	20,030	153,472	14,466	87,216
Oysters, bbls.	23,107	1,663	29,051	1,575	27,228
Miscellaneous	1,041,553	....	745,486	....	641,293
Totals	$22,420,253	....	$21,256,956	....	$20,795,914

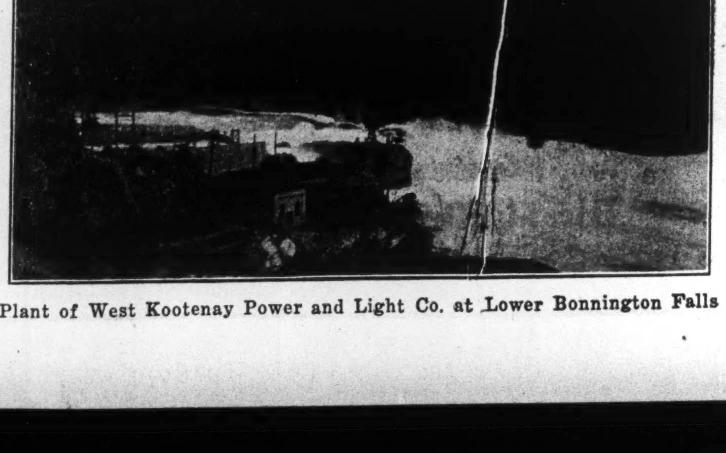
Mineral Production

	1925		1924		1923	
Description	Quantity	Value	Quantity	Value	Quantity	Value
Gold, plac., ozs.	16,476	$ 280,092	21,037	$ 420,750	20,320	$ 420,000
Gold, lode, ozs.	209,719	4,335,269	247,716	5,120,535	179,245	3,704,994
Silver, ozs.	7,654,844	5,286,818	8,341,768	5,292,184	6,032,986	3,718,129
Copper, lbs.	72,306,432	10,153,269	64,845,393	8,442,870	57,720,290	8,323,266
Lead, lbs.	237,849,199	18,670,329	170,384,481	12,415,917	96,663,152	6,321,770
Zinc, lbs.	98,257,099	7,754,450	79,130,970	4,266,741	58,343,462	3,278,903
Coal, tons (2,240 lbs.)	2,328,522	11,642,610	1,939,526	9,697,630	2,453,223	12,266,115
Coke, tons (2,240 lbs.)	75,185	526,295	30,615	214,305	58,919	412,433
Misc. products	....	2,845,110	....	2,833,672	....	2,858,710
Totals	....	$61,492,242	....	$48,704,604	....	$41,304,320

Industrial Statistics

Town	No.	Capital	Employees	Wages	Cost of Materials	Gross Value Products
Vancouver	1,065	$85,804,549	24,674	$24,303,737	$51,482,786	$98,689,520
Victoria	333	19,300,586	2,719	3,254,090	6,987,948	15,822,037
N. Westmin'r	111	6,903,431	1,792	2,435,919	7,648,396	13,188,776
Nanaimo	61	766,389	405	375,034	535,865	1,258,793
N. Vancouver	27	1,780,561	958	1,442,361	1,361,263	3,571,432
Prince Rupert	45	5,645,396	1,063	1,514,508	2,400,450	4,327,126
Nelson	53	1,271,643	380	518,763	520,303	1,347,728
Kamloops	46	729,353	292	407,563	378,367	1,043,635
Fernie	28	1,732,228	242	344,624	926,892	1,691,684
Kelowna	40	1,109,855	259	301,260	708,912	1,225,557
Rossland	13	5,122,963	74	128,784	73,768	912,922

Harnessing British Columbia's Water Powers



Plant of West Kootenay Power and Light Co. at Lower Bonnington Falls

Future of British Columbia to be Decided by Her People

By SIR GEORGE BARRY.

IT WAS Adam Smith who first enunciated the axiom that wealth of a nation is of fourfold origin; from forests, from mines, from soil and from the sea.

British Columbia, having each of these, builds its economic structure on a four-square foundation. It may seem trite to say: "We have abundant water power available for production of electric energy at low cost."

But do British Columbians draw from the familiar statement its full burden of significance? Can they see those tumbling waters, years, even centuries hence, incessantly turning the wheels of industry, costing less and less as earnings from power pay for the expenditures on first installation — the most inexhaustible source of industrial power?

People Live Longer

Another advantage apparently overlooked, but an advantage, I believe, of the highest economic importance, is the fact that this British Columbian climate, unsurpassable, makes for cheaper living conditions as compared with other parts of Canada and lengthens the span of years in which men are industrially or economically productive.

It seems a foregone conclusion that Great Britain must in years close at hand move several millions of its congested population and settle them in lands within the United Kingdom.

Britons Will Come

Great migrations are impelled, not so much by adventurous spirits, as by the driving force of economic necessity. It will be the latter urge that will cause millions of British people to come to Canada.

There seems to be an impression that nowhere in Canada is capital safer or taxes lower than in the Province of Quebec.

Could British Columbia broadcast a similar impression, what immense good it would do!

There is another subject of present interest, Canadian industries.

Canada would be much richer if, regardless of tariffs, its big buyers of commodities, governments, federal, provincial, municipal, banks, insurance companies, public utility corporations, in fact all these organizations that buy on a big scale, were to display leadership and a national spirit by adopting a policy of buying—say, as a start—building materials of all kinds in Canada and all the foodstuffs that can be produced in Canada.

The Wiser Way

It is far better for England to face the capital expenditure necessary to move its surplus people and set them up in their new surroundings than to continue indefinitely the present heavy burden of the dole and the incidental expense of non-productive population. From the standpoint of national morale it will be infinitely better to make that expenditure for migration than to sap from a people inherently self-reliant any portion of that quality of initiative and enterprise. Idleness and enterprise are irreconcilable. One must give way before the other. Migration will give the opportunity to enterprise.

I am a believer in the feasibility of intelligent industrial surveys as preliminary steps to procure new industries.

Mountain Rivers Have Great Value for Power Development

CONSIDERATION of the great timber resources of British Columbia with their need of economically developed power to turn them into the finished products—lumber, pulp, and paper; the mineral resources—coal, base and precious metals, with their attendant mining and metallurgical problems; the growing needs of agricultural communities for the electric current, now passing from the stage of luxury to that of necessity on the farm; the packing, freezing and handling of the products of the sea; transportation and the varied and increasing requirements of a growing population and industrial life, emphasizes the certainty of vigorous and expanding development of the water-powers of the Province.

The total available water-power of the Province has been variously estimated at from 2,000,000 to 2,500,000 horse-power, though these estimates include certain sites on the Lower Fraser, Thompson, and Skeena Rivers, where the presence of main lines of railway has rendered development improbable.

During the glacial period the whole Province except the highest peaks was covered by a continuous ice-sheet, and glaciation and subsequent steam-erosion have greatly modified the topography. Valleys and divides were enlarged and lowered, soil deposited, and lakes formed—all matters of importance in the production of water-power and to agriculture, forestry, transportation and other factors of economic development.

These great physiographic features have an important influence on the climate. Temperature and precipitation are profoundly modified by the recurrence of mountain range and valley. The wide stretch in latitude, extending to 11° northward from the 49th parallel, and the presence of the Japan Current along the ocean seaboard contribute to the varied climatic conditions.

The warm ocean current, though not so pronounced in its influence as the Gulf Stream on the shores of Europe, conduces to the mildness of the winters and abundant rainfall on the Coast. During the summer months the ever-changing tidal waters tend toward moderation of the day temperature and to the coolness of the nights.

Passing to the eastern side of the Coast Range, much greater variations in temperature prevail during summer and winter. The precipitation is also much less, but varies widely.

It should not be thought, however, that on account of the more ample rainfall in the Coast region all the larger water-powers are to be found there. Regional topography is no less a factor in their occurrences than precipitation. The longer rivers of the Interior with large catchment areas, the great expanse of lakes, totalling more than 2,500 square miles in area, and the high mountain ranges with their slowly melting snows are equally productive of power possibilities.

The predominance of developed water-powers on the Coast is largely a result of the growth of the lumber and allied industries, ease and convenience of transportation, and to the larger industrial and general population rather than to superiority of natural sites.

TOURIST TRAFFIC BRINGS BUSINESS AND PROSPERITY

(Continued from page 17)

like a repetition of the conditions of fifteen years ago.

The new store of the Hudson's Bay Company just being completed, the big retail structure of Spencer's Ltd., in course of construction, and the Woodworth Emporium only recently occupied, gives to Vancouver three of the handsomest and best equipped retail establishments in Canada. They may be taken as definite reflection of a business prosperity which extends all up and down the retail section and finds further expression in extensions and improvements to various establishments definitely evidenced for public appreciation in handsome store fronts and the most modern of interior fittings.

The big new factor in the retail trade of the city has been the development of the tourist traffic, particularly from the United States. It is estimated that American tourists coming to Vancouver over the Pacific highway, the longest paved thoroughfare in the world, extending to Tia Juana, Mexico, benefits retail business to the extent of $40,000,000 or $50,000,000 during the summer season. Something over 200,000 automobile travellers enter the province in addition to the tourists by train and boat.

The direct benefit of this tourist traffic in terms of retail business may be judged from the fact that big stores like Henry Birks, catering especially to this trade now report that their summer trade which under former conditions was very dull indeed has become better than the Christmas trade.

VICTORIA HOLDS KEY TO SHIPPING TO THE PACIFIC

Commands Strait Leading to Vancouver and to Seattle

VICTORIA holds the key port position of the Northern Pacific coast Situated on the southern end of Vancouver island, just half way between Vancouver and Seattle, she commands the traffic through the Juan de Fuca Strait by which all vessels bound to and from the important terminal ports of British Columbia and the Northwestern States must pass to reach the Pacific. This explains why the tonnage of the Port of Victoria is larger than that of either of the other more important commercially ports referred to, and second only in Canada to Montreal.

Victoria's port business, large in volume as it is, is not in keeping with the available facilities. To the end of making better use of these facilities a port expert is being employed to make a survey of the situation. Fisheries, lumbering, grain movements, etc., will be thoroughly investigated.

One of the possibilities for the development of Victoria is the inauguration of car ferry services between Vancouver Island and the Canadian mainland ports. In this way vessels now operating into Seattle would avoid the run north to Vancouver, which is as far north of Victoria as the American city is south. Already considerable business is done this way in smaller shipments, while the Canadian National railways have done some business in grain shipments by car ferry between Port Mann and the island.

The number of vessels arriving and clearing at Victoria last year, ocean and coastal, was 10,674, net tonnage being 10,999,978. While these figures place Victoria as the second largest port in Canada, the number of vessels is not large when the facilities available are considered.

Victoria has three excellent harbors: The Outer Harbor, comprising Rithet's wharves with an area of 16 acres and the Canadian National Docks at Ogden Point (these covering some 30 acres) the Inner Harbor and the famous Esquimalt Harbor, 940 acres in extent. The Outer Harbor and Esquimalt are used chiefly by ocean going ships, the Inner Harbor by coastwise vessels. Besides these harbors, safe sheltered anchorage can be found in the Royal Roads off the entrance to Esquimalt Harbor.

The outer docks are able to berth any ship afloat, and all vessels can enter and leave under their own steam. When the ships of the special British Empire Squadron visited Victoria, both the "Hood" and "Repulse" not only entered the Ogden Point Docks under their own steam, but tied up alongside each other in the same basin. The Ogden Point Docks have two piers protected by a solid granite block breakwater 2,750 feet long.

The inner harbor is used chiefly by coastwise vessels, but as many of the great lumber and shingle mills are built on its waterfront, sailing ships and steamers engaged in this business enter it. Also on its northwest shores are 80 acres of industrial sites with railroad and trackage facilities and a water frontage of 3,500 feet with a depth of 20 feet.

The new drydock at Esquimault is the second largest on the American Continent, only 29 feet shorter than the Commonwealth at Boston. This giant basin, hewn out of the living rock, will cost approximtely $6,000,000, and measures 1,150 feet long, 149 feet in width at the top, 126 feet at the bottom; its depth is 49 feet 6 inches, with 40 feet of water on sills at high water. The dock will take any ship afloat, or, if desired can be divided into two sections of 400 feet and 750 feet respectively

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Apple growers and shippers in the Annapolis Valley of Nova Scotia are uniting in an effort to improve the status of the apple industry. To this end they have formed an organization known as the Associate Committee on Apple Growing and Marketing.

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180 Billion Ft. Pulpwood Basis of New Industry

Powell River Investment of $25,000,000 Indicates What the Future May Hold — Australian Market a Big Factor

THE recent development of the paper mills of the Powell River Company, located sixty miles north of Vancouver, to a capacity of 500 tons of newsprint per day with an investment of $25,000,000; the successful operation of other mills marketing their products largely in the United States and the Orient, and the discussion of new and important paper mill projects calls attention to the future possibilities for the industry in the Pacific coast province. According to the B. C. Products Bureau, British Columbia stands third in the Dominion for the production of pulp and paper. Last year the mills produced 92.514 tons of sulphite, 16,856 tons of sulphate, and 121,363 tons of ground wood. A proportion of this production was manufactured into 148,201 tons of newsprint and 9,261 tons of other paper. A large portion of the newsprint has been exported to Australia as the result of the trade treaty effected with that dominion.

Of the cords of pulpwood cut, 70% are consumed in Canada and the balance exported. At the present time there are six pulp and paper mills employing an average of 2,150 workers, with an annual payroll of $3,989,546. There is still room for a much greater development, particularly in lesser plants for the manufacture of finished products, tissue and kraft papers, book papers, wrapping papers, cardboard, etc.

180 Billion Feet of Pulpwood

Out of the total stand of timber in the Province of British Columbia of 366,300,000,000 feet b.m., half the total merchantable timber of the whole of Canada, there are estimated to be over 182 billion feet b.m. of pulpwood composed of 73 billion feet of Spruce, 64 billion feet of Western Hemlock, 32 billion feet of Balsam, 12 billion feet of lodge pole pine and 1 billion feet of cotton wood. Nearly two thirds of this timber—127 billion feet—is growing on Vancouver Island.

The annual consumption of British Columbia pulpwood is 225 million feet b.m. This can be increased more than ten times by utilizing small material now left from logging operations and the development of interior spruce stands.

Special features affecting the pulpwood interests in British Columbia may be summarized as follows: the harbors of B.C. are open all the year round. All the pulp and paper mills now in operation in B.C. and the majority of good pulp wood propositions now available are on deep water and cargoes of pulp and paper may therefore be loaded in the ocean vessels at the mill. The average cut of pulpwood in other parts of the continent is about five cords per acre, in B.C. the average per acre is 20 to 40 cords and frequently much more. The timber in the majority of cases being near the mill and logging conditions being most favorable throughout the year, logs are delivered at the mill at comparatively low cost. Spruce and Hemlock in B.C. are much superior to those woods in the East, being larger, cleaner and with fewer knots. On account of these and other features, it is found that two cords of B.C. pulpwood are equivalent to three cords of Eastern pulpwood.

B. C. and Pacific Coast mills generally have the exclusive command of the Pacific Coast markets both in Canada and in the United States as well as the interior markets in both countries for about 800 to 1,000 miles inland, when the products of these mills may come into competition with Eastern mill products, but the Pacific Coast mills have no rivals in the markets of the Orient, namely Japan, China, India, New Zealand, Australia, also South America, West and South Africa, and the Atlantic Coast of North America and Europe, these last via the Panama Canal.

The cheaper cost of raw material and all other essentials for the manufacture of pulp and paper, and the fact that cargoes are loaded in open vessels at the mills and that no transshipment or handling is necessary until the destination of the cargo is reached, easily equalizes or overcomes the difference in freight rates for the longer haul to Europe and Eastern markets. The vital importance of these great stands of timber to-day growing in B.C. will perhaps be better realized when it is remembered that the amount of wood used annually for pulpwood purposes alone in America, would, if piled up four feet high and 12 feet wide, reach clear across the Continent from the Pacific to the Atlantic.

Industrial Opportunities

Woollen Industry and Vegetable Oil Production But Two of Many Openings

By A. A. MILLIDGE,
Manager, British Columbia Products Bureau.

OPPORTUNITY awaits the people who have sufficient faith in the Canadian West and who realize the possibilities of the Province of British Columbia, and are willing to substantiate that confidence by investing in an industry which would appear, after thorough investigation, to be basically sound. There is, perhaps, no other industry which offers greater inducements to the prospective investor, and which the natural resources are so eminently adapted for as the Woollen Industry.

Last year there were 55,151 sheep and lambs in British Columbia, an increase of 1,815 over 1923. From these animals there was a total wool clip of 309,000 pounds of grease wool. There is, however, enough grazing land available to sustain at least 1,000,000 sheep, which would give a wool clip (taking the average fleece as 7 lbs. per animal) of 7,000,000 pounds. Grazing in the provincial grazing districts of the North Thompson Valley and other suitable territory costs 7½c. per head from sheep going to range on May 1.

The annual wool clip of Alberta is about 1,500,000 pounds, and of Saskatchewan 1,200,000 pounds. This combined with British Columbia gives a total of 3,000,000 pounds which is at present shipped east, sold at Toronto through the Canadian Co-operative Wool Growers, Ltd., and then manufactured. A large portion of the finished article comes West again to the consumers and users, who are of necessity bearing a double freight bill. This also applies to the enormous quantities of Australian and New Zealand wool, which comes in through the port of Vancouver and which could be made up on the coast.

There are three important factors which are especially favorable to the establishment of a wool market and woollen mills at Vancouver, or at some other suitable point on the British Columbia coast. One is the saving of freight on the raw product. Another is the moisture of the climate. The third is the transportation facilities. Not only on the Australian wool, but on our own British Columbian and Western Canadian products such a saving in freight would be effected as would greatly assist the coast industry. A moist atmosphere is absolutely essential to the establishment of woollen mills, and in this respect British Columbia is the possessor of a climate which compares favorable with that of Yorkshire and the Lowlands of Scotland, where the finest woollens are made. In a climate such as this the yarn is not so likely to break when carried on the spinning machines. Again, water is an all important factor, and the soft water which is so abundant on this coast possesses qualities which make is eminently suitable for scouring and dyeing purposes.

It may be mentioned that some of the Eastern Canadian Mills which are using British Columbia wool have to chemically treat their waters before it will give the best results in the latter process.

Then from the point of view of cheap power the coast of this province offers every inducement and facility. This should enable an electrically run plant to be installed at reasonably low cost.

Taking the wool clip of the three Western Provinces as 3,000,000 pounds of grease wool, and after allowing 50 per cent. for the shrinkage in scouring, there would be about 1,500,000 pounds of washed wool available for carding. This would keep a twenty-card mill working about 300 days in the year, figuring 250 pounds per card each day. Approximately 4,847,000 pounds of washed wool were imported from New Zealand and Australia last year. If this were also treated at the Coast Mill, it would mean altogether an eighty-four card mill.

It must not be overlooked, however, that the woollen industry in Eastern Canada has grown from quite small proportions and dates back to the time when the small woollen mill was a part of the small town in many country districts. The men who are at the head of this industry to-day are usually the sons of parents who managed these smaller plants. Furthermore, the labor in these mills has also grown up, to a very large extent, with the industry.

At the present time, Canadian manufacturers are experiencing difficulty in operations, owing to competition with the British woollen manufacturer; this, despite access to free wool, wool tops and wool wastes and the protective tariff against imported goods. Under proper management and provided a woollen mill was able to secure qualified labor, the bulk of which would have to be brought in because there are no small mills operating in the province at the present time, a successful woollen industry could probably be built up in British Columbia. A new selling organization would have to be built up, and allowing for the advantages of climate, freight rates and other economic factors, much would depend on the general operating efficiency of the mills and the business ability of the management. The value of such a plant in British Columbia cannot be estimated, but it is certain that it would be of material benefit to the province as a whole, not only by reason of the huge investment required, but by employing hundreds of workers, thereby creating an additional payroll; and still another of the natural resources of the country would be developed, and an industry established which would call other subsidiary textile industries into existence.

Vegetable Oil Industry

British Columbia, by reason of her geographical position, is eminently suitable for the establishment of industries and the distribution of the products of those industries through the rest of Canada and the Orient. Among these industries is one which depends for its supply of raw material on the Orient itself, the vegetable oil industry.

So far as Canada is concerned, the raw material for the manufacture of soap oils and refined vegetable oils are chiefly copra, soya beans and peanuts. Limited quantities of palm, palm-nut and cotton seed oil are also used, but the first mentioned three materials supply the bulk of this country's demand.

Copra is the dried meat of the cocoanut, and is entirely divertible into two products—oil and oil meal. Copra, which constitutes the main commercial product of the myriad tropical islands of the South Pacific, is harvested throughout the year, and a steady supply is, therefore, assured. Soya beans, light brown in color and like the ordinary white beans, are grown in sufficient quantities in China, Manchuria and Japan. China produces peanuts on a large scale and supplies are readily obtainable at all seasons of the year.

There are two methods in use at the present time for treating the raw materials, the most common being by pressure. The material is ground, steam cooked (to burst oil cells) and submitted to high pressure. With most nuts and seeds it is necessary to repeat this process with variations in order to produce the maximum amount of oil. The oil produced is then pumped into storage tanks and the remaining solid portion of the material is ground to meal and sold as stock feed. This pressing process will reduce the oil content of the raw material to between 5 to 12 per cent. by weight. The second method is known as the Bataille process perfected in Europe by Edouard Bataille, of Paris, who commenced operations in 1898. He manufactured equipment designed to remove the oil by dissolving it without a solvent. The process has gone through many stages of development and improvement during the past thirty years, and there are now over sixty plants using this method successfully.

The raw material is first ground to a suitable fineness and then introduced into a tank called an extractor. A suitable solvent (such as gasoline) is then added and left in contact with the ground material for a short time. This solvent, together with the dissolved oil, is then run into a lower compartment of the tank, called the still, where the solvent is distilled off and recovered, leaving the oil behind. This entire process is repeated until the material is practically free of oil. The oil and solid material which still remains in the extractor are then treated with steam to remove all traces of the solvent after which they are mechanically conveyed to storage.

The meal, which requires no further grinding, contains only about 1 per cent. of oil, as compared to the five to twelve per cent. left in the pressing process. The only moving parts and the only parts subjected to wear are the simple grinders necessary to prepare the material for extraction and the conveyors and elevators which are required in any plant. Upkeep and maintenance charges are very low in consequence, and as the same equipment may be used interchangeably for any and all seeds and nuts, such a plant may be run in the most economical manner. It is estimated that such a plant installed in Vancouver, using up-to-date extraction system, would gain an advantage over United States competitors of 4.44 per ton of raw material, and with an initial capacity of 9,000 tons effect a saving of over $40,000.

The imports into Canada of oils and oil cake more than justify the erection of such a plant on the Pacific Coast. During the eight months ending November 30th, 1925, 1,567,812 gallons of cocoanut, soya bean and peanut oils for manufacture of soaps

(Continued on page 23)

Encouraging the Industry

The policy of the government of British Columbia in regard to the development of pulpwood resources is to encourage the establishment of pulp and paper plants within the province and such as are established are protected as to an adequate supply of timber. Hon. T. D. Pattullo, Minister of Lands, states that the companies are beginning to give more study to the question of reforestation and plans are being worked out with the government, having in mind more adequate measures for forest protection and reforestation, so that supply will continue in perpetuity.

The creation of pulp districts under act of legislature and the regulation of operations in such districts is outlined as follows:

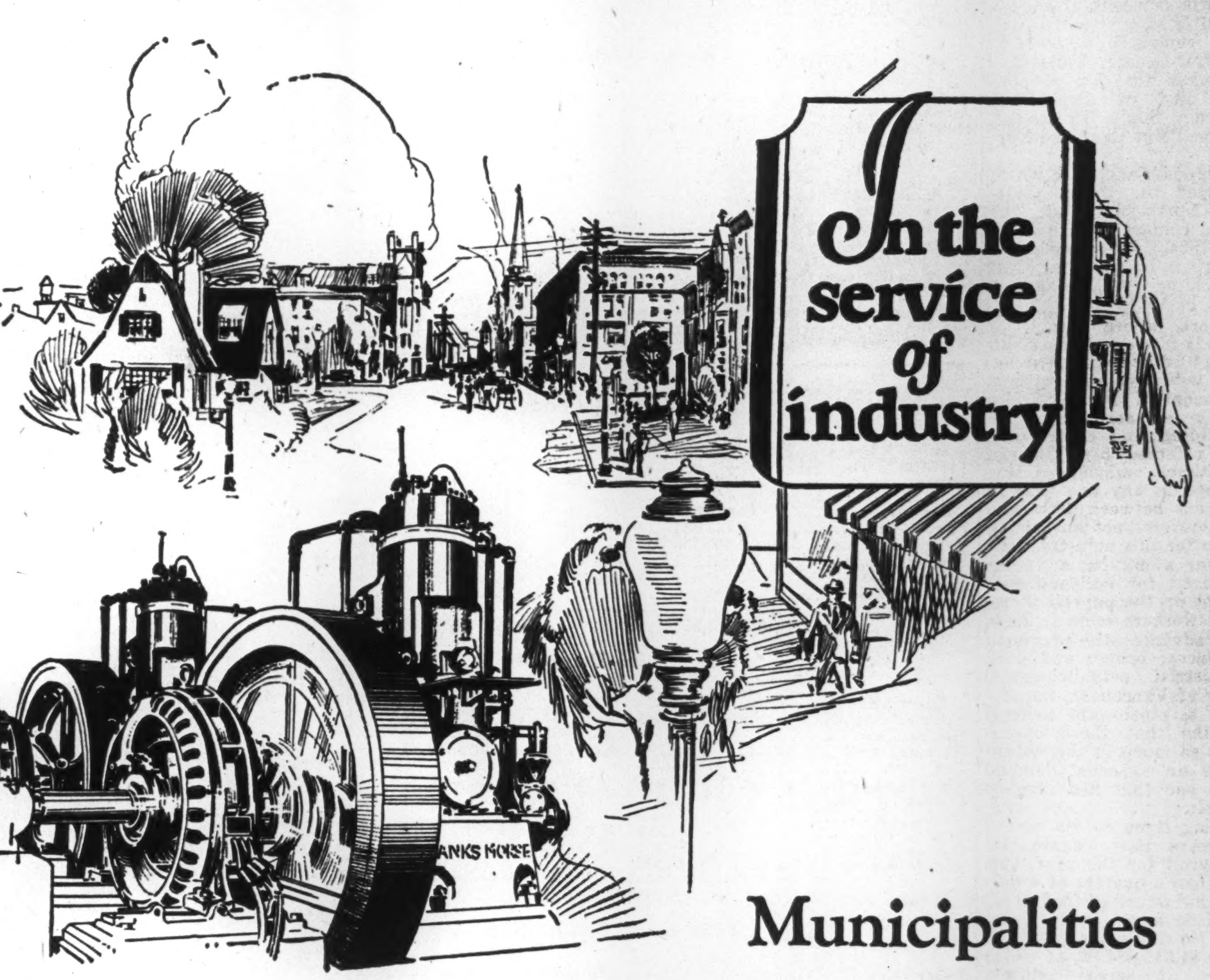
> Where in the opinion of the minister the creation of a pulp district under this section would secure the establishment or the continuance in operation of a mill for the manufacture of woodpulp or paper, and would thereby aid in the development of any area of lands in the province, and in the conservation and perpetuation of the timber thereon, the minister, with the approval of the lieutenant-governor in council, may, by notice in the Gazette, declare that area a pulp district, and thereafter the disposition of all crown timber within the district shall be subject to the provisions of this section.
>
> Where the timber comprised in any special timber licence becomes included within a pulp district and is suitable for the manufacture of wood-pulp, and where the holder of the licence is the owner of a mill for the manufacture of wood-pulp or paper, or has given a bond of fifty thousand dollars and such other guarantee as the minister may think fit for the erection and completion of a mill for the manufacture of wood-pulp or paper subject to such conditions as the minister may approve, then, upon surrender of the licence, the holder of the licence may obtain in exchange therefor a pulp licence covering the lands comprised in the surrendered licence. The annual renewal fee for the pulp licence shall be an amount equal to one-half of the annual renewal fee theretofor payable in respect of the special timber licence so surrendered, and all provisions of this Act relating to payment of annual renewal fees and to the renewal of special timber licences shall apply to the pulp licence, except that the additional sum payable on default shall be one-half the additional sum provided in section 39 in respect of special timber licences: Provided that if the holder of a pulp licence so obtained, who has given security for the erection and completion of a mill pursuant to this section, fails to erect and complete the mill in compliance therewith, he shall, in addition to all other liabilities arising by reason of his default, forfeit all right to obtain a renewal of the pulp licence; but upon surrender of the pulp licence at any time within the period allowed under this section for the erection and completion of the mill, and upon payment of the difference between the amount of the renewal fees and additional sums paid by him under the pulp licence and the amount of the renewal fees and additional sums which, except for the surrender of the special timber licence, would have accrued under it, the holder may obtain in exchange for the pulp licence a special timber licence covering the lands comprised in the surrendered pulp licence.

Canadians Consumed 8,000 Tons of Spaghetti

Did you eat a pound and three quarters of macaroni in 1925? That was your share of Canada's consumption of macaroni, spaghetti and vermicelli.

Canada produced 14,723,598 of these sinuous edibles in 1925. It imported 1,631,064 pounds and exported 267,980 pounds. So Canadians must have eaten 16,086,682 pounds.

So the census of the industry, just published by the Dominion Bureau of Statistics shows.


In the service of industry
ANKS MORSE

Municipalities

Many municipalities are by necessity or by choice proprietors and operators of public utilities. The chief commodities which they retail to their citizens are water and electricity. They must needs manufacture economically so that their rates and taxes may compare favourably with those of other municipalities. Moreover their street lighting and water for fire protection must be maintained at a high level of efficiency.

In evolving the present Fairbanks-Morse Diesel Engine which supplies power for pumping and for generating electric energy with such marked economy, and in building such other equipment as pumps, generators and motors which operate with unusually high efficiencies, this company has rendered a distinct service to municipalities. It has given us great pleasure to note the improvement in street lighting and in water pressure, and the low rates made possible in many towns for which we have supplied generating and pumping equipment.

In a similar way we serve practically every other branch of industrial activity in the Dominion. Any of our eleven branches is prepared to furnish machinery, equipment and supplies which are illustrated and briefly described in our 800-page general catalogue.

Scales. Valves. Gasoline & Oil Engines. Pumps
Motors & Generators
Pipe & Fittings
Steam Specialties
Steam Fitters' Tools
Concrete Mixers
Wheelbarrows
Drag Scrapers
Road Machinery
Duff Jacks
Duff Trench Braces
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THE MAKERS OF FAIRBANKS SCALES AND VALVES

Utility Services Indicate the Growth of Vancouver

Street Car Traffic and Larger Demand for Gas and Electricity Reflect Building of New Homes and Expansion of Industry

FIGURES showing the expanding use of public utility services, such as electric power, street railway service, and gas, are generally sound indicators of community growth. Such utility services rise directly in proportion to any increase in population, linked as they are to personal requirements.

Vancouver has ever been the lodestone for thousands of people in Canada and in the western portion of the United States, and, during the last five years, population has rapidly been coming back to the Pacific Coast metropolis. Not only do the figures of building construction prove the prosperity of Vancouver and the surrounding district, but in case such construction might anticipate, rather than follow, prosperity, one can find ample proof in the number of new homes that are being served with public utility services, indicating that population has already increased.

For five or six years great development has been going on in the suburbs of Vancouver to provide new homes for additional population. The net increase in the lighting customers of the B.C. Electric Railway Company shows that these new houses are being occupied, not at the expense of older houses. In 1925, as will be seen from the accompanying table, nearly 4,000 lighting customers were added to the lines of this company, most of whom were in the city of Vancouver.

Light and Power Customers, Mainland.

1920	51,217
1921	56 201
1922	59,730
1923	62,773
1924	66,081
1925	70,075
(Aug. 1) 1926	71,757

Bigger Street Car Traffic

The British Columbia Electric Railway Company's figures for street car traffic lend further proof. In Vancouver city, in spite of the increase of automobiles similar to that of other cities, the traffic in July, 1926, was about five per cent. greater than in July, 1925, while in June the increase was nearly 8 per cent. over the same month in the previous year. New Westminster is a busy industrial city, served by the same company, and street car traffic there has increased from 9 to 12 per cent. for corresponding periods in 1925. Interurban traffic, between Vancouver and New Westminster, also shows some increase despite the operation of interurban buses by the B. C. Electric Railway Company on a parallel route.

In preparation for the increasing demands for street car service, there have recently been added sixteen more street cars of the latest type, in Vancouver, making twenty-eight cars added during the last year.

The B. C. Electric Railway Company is operating 233 cars in the evening rush hour to-day, compared with a maximum of 173 cars in 1919, an increase of 34 per cent.

Larger Gas Service

In the field of gas, the third service rendered by the British Columbia Company, rapid expansion has been taking place in the suburbs of Vancouver. Four years ago there were 150 miles of gas mains in the city. To-day the system has extended to 230 miles; and the company has started on a new development in the direction of New Westminster, whose small gas system was purchased and is to be greatly extended.

Previous to 1923, the company had franchise rights only in the City of Vancouver. Since then franchises have been obtained in Point Grey, South Vancouver, Burnaby and New Westminster, the combined population of which equal that of Vancouver. The following tabulation indicates the expansion that has taken place in the suburbs alone:

Year ending June 30—	1923	1924	1925	1926
Mileage Mains laid	1	21	40	68
Services installed	161	1,280	2,423	3,689
Meters installed	73	746	1,524	2,900
Added gas consumption, cubic feet	77,000	2,815,000	16,022,000	40,000,000

While the increase in gas customers has been due to extending the mains into existing districts, some of it is caused by the general expansion of the city. Here are the totals of gas customers connecting to the mains of the company at June 30 each year:

1923	21,145
1924	23,368
1925	25,845
(Aug. 1) 1926	29,263

Industrially, Vancouver is forging ahead rapidly. No longer is the coast city a site only for lumber mills. Scores of small industries, meeting not only local needs, but shipping to the Orient, are being located there. More and more, too, the raw products found in British Columbia, such as pulp, are being manufactured into the finished article at home.

Industrial Expansion

Vancouver and its adjacent city of New Westminster are rapidly becoming manufacturing centres. The connected load on the power plants of the B. C. Electric Railway system shows a substantial increase for industrial purposes each year.

For Industrial purposes in horsepower as of December 31.

1920	53,934
1921	57,583
1922	59,699
1923	65,667
1924	69,683
1925	77,145
(Aug. 1) 1926	82,225

Further evidence of prosperity on the Lower Mainland of British Columbia is shown in the peak loads on the power system:

Peak loads in kilowatts

1922	59,500
1923	67,200
1924	70,900
1925	78,400

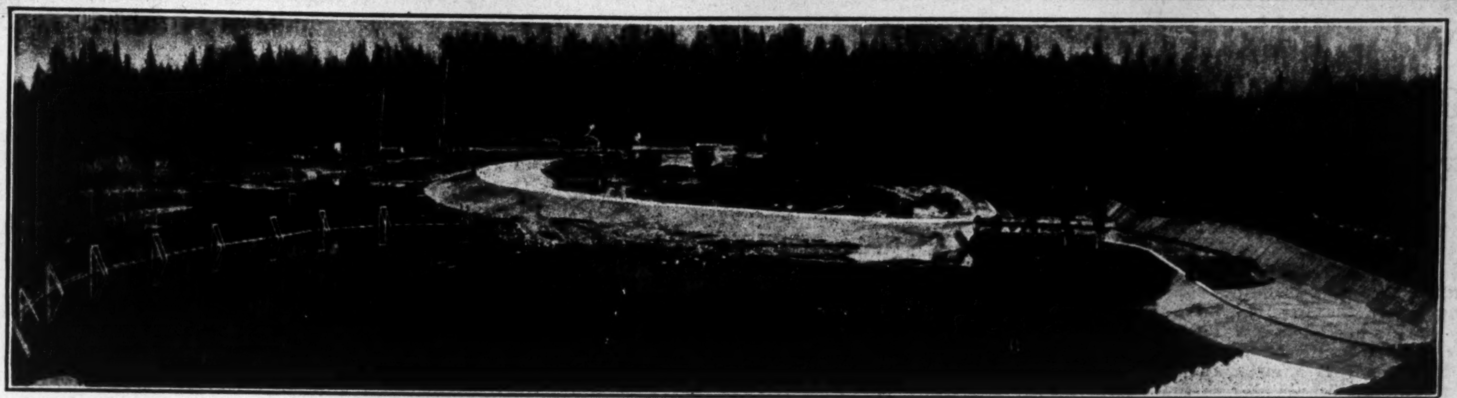
With their ears to the ground listening for indications of approaching demands for electric power, the engineers of the B.C. Electric Railway Company have for several years had plans for meeting any increase in the demands for power. For the last few years the demand made upon the company has been increasing at about 10 per cent. each year while the first six months of 1926 exceeded the first six months of 1925 by as much as 14 per cent. Several years ago the company acquired the Western Power Company, and since that time has been bringing the Stave Falls plant, thus obtained, up to its full capacity. With this completed in 1925, the company will add an adjacent plant at Alouette Lake for further power, which will be received in Vancouver in 1927. The addition of the Alouette power plant will bring the capacity of the company's hydro-electric plants on the Mainland up to 164,000 horsepower. This, it is estimated, will suffice, at the present rate of growth, only until 1930.

Increasing Power Supply

George Kidd, president of the B.C. Electric Railway Company, has already announced that the company is proceeding with the development of the Bridge River project, which has a possible capacity of 700,000 horsepower. At this site, 135 miles north of Vancouver, the company has already broken ground. Roads are being constructed and camps established, preparatory to beginning construction work in 1927. The total cost of this development will reach enormous figures. Engineers have plotted the development of only 200,000 horsepower, to cost in the neighborhood of $30,000,000. This expenditure will be in addition to the local expenditure around Vancouver for lighting, railway and gas extensions. In the last five years the company has spent $12,100,291 on capital account, and as Vancouver grows its outlays for distribution, and other local services, will increase.

Customer Ownership Spreads

The company now has 11,000 shareholders in Vancouver and Victoria, obtained in the phenomenal "Customer Ownership" campaign in March, 1926. These customers applied for more than $7,000,000 worth of six per cent., accumulative, preferred shares of the B. C. Electric, Power and Gas Company, the company being unable to allot $5,000,000 of the amount applied for. There are now 3,240 employees in all branches of the company's service, not including employees of contractors on construction work.



Alouette Dam—Recently completed by the British Columbia Electric Railway Company, this is one portion of the Alouette project which will add 13,400 horsepower to the power supplied at Vancouver in 1927. The dam is 1,000 feet long, and raises the level of Alouette Lake 45 feet.

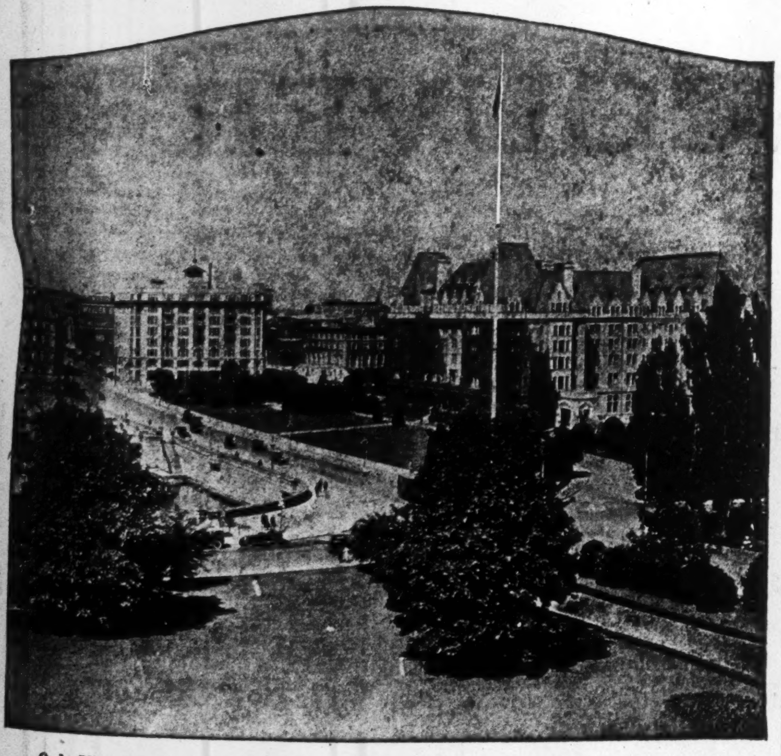
Where They Play Golf 365 Days in the Year

(Continued from page 17)

ida disaster which may have an influence in bringing many others to a similar decision if the climatic conditions of the Pacific Northwest can be made known to them. This American of British descent came to the conclusion after living in Florida that the Southern climate was enervating to those bred in the North and decided that he wanted his sons to be brought up under conditions somewhat more rigorous.

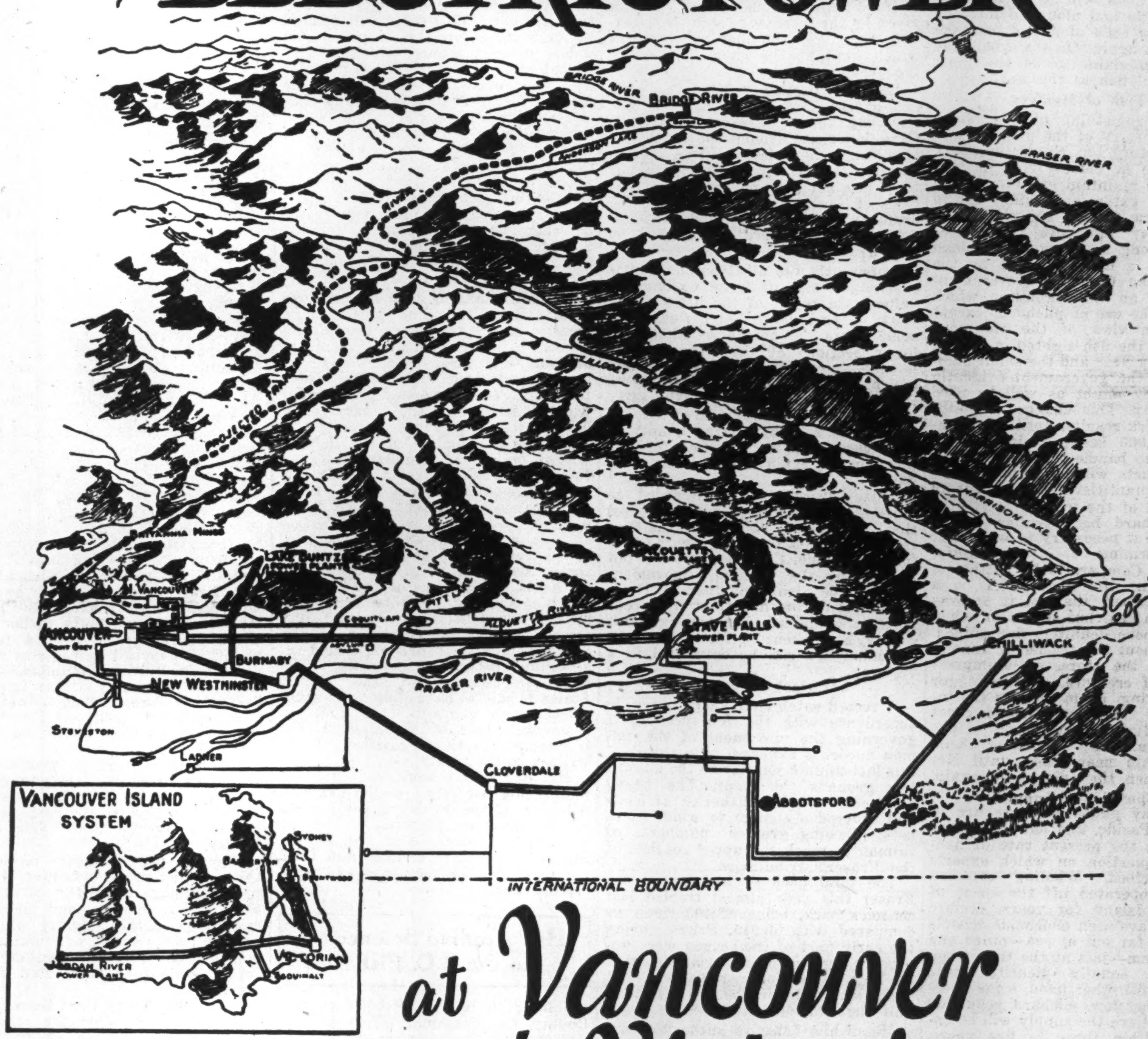
Likewise, the climate of the North west Pacific is proving attractive to many who have located in California. There is the case of a wealthy Californian who recently took up a 3,000 acre tract near Victoria with the idea of cutting it up into smaller estates and developing them. He was asked where he proposed to market these estates and replied that he would have no difficulty in selling them to Californians when they discovered the kind of climate Victoria had to offer.

That the tourist traffic into British Columbia is not only important from the standpoint of the millions it brings in commercial business but that it is highly important as a factor in bringing in new residents has been repeatedly shown by actual experience. One single tourist camp reports to the Vancouver Publicity Bureau that it has definite knowledge of twelve tourist visitors who returned to make their home in British Columbia, bringing with them cash assets of $100,000.



Only Victoria climate could produce such foliage as surrounds the C.P.R.'s beautiful Empress Hotel in that city.

ELECTRIC POWER



at Vancouver and Victoria

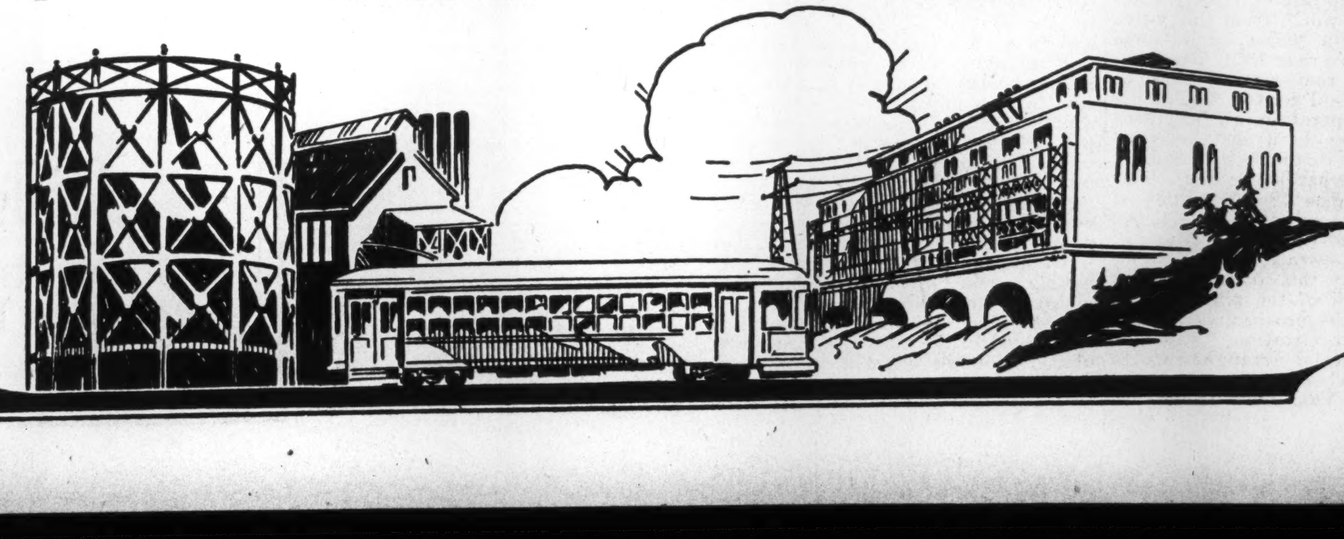
A GREAT NEW MARKET is being created on the Pacific Coast. The population of Vancouver and Victoria is growing by tens of thousands each year—prosperous residents who want modern comforts and conveniences.

Forward-looking manufacturers are establishing factories in these cities, to supply this market or the markets of the Orient. They find here the raw materials, transportation, labor and the *public utility service*—electric power, gas and electric railway service.

Abundant electric power at low rates and gas at special industrial rates are supplied in Vancouver, Victoria and New Westminster by the British Columbia Electric Railway Company.

Inquiries regarding rates are solicited.

BRITISH COLUMBIA ELECTRIC RAILWAY CO.
VANCOUVER VICTORIA



Lowly Pilchard Sought for the Oil Once Despised

A New Industry Which Promises to Become One of the Most Important Depending on the Pacific Fisheries

THE lowly pilchard, despised of men, and with a standing something lower than the herring in the fish world, has suddenly become one of the aristocrats of the North Pacific. Up to a few months ago his too oily flavor made him useless commercially, but to-day this peculiarity of his has made him more valuable by far than most of the larger fish which sometimes lower themselves to feeding on him.

Take one pilchard and you find just enough oil in him to make his flavor too strong, but take a million, grind them up and you have large quantities of some of the richest oil in the world. And on this fact an enormous new industry, representing one of the most important branches of fishing in Canada, has sprung up on the West Coast of Vancouver Island.

The humble pilchard this year will form the base of the finest paints made in Europe. He will be used in the manufacture of the most delicate soaps. His oil will help to make the most expensive varnishes, and will go into the composition of margarine and various kinds of medicines. What is left after his oil is extracted, a dark brown meal, will be fed to chickens and cattle and ploughed into the impoverished soils of Japan to make them fertile again. On the whole the pilchard can claim to be the most widely-useful fish in the world.

A Fish of Mystery

There is something of a mystery about the history of the pilchard and about his future, too. No one seems to know where he comes from or how long he can maintain his numbers in the face of extensive fishing, but in the meantime, fifteen big plants are busy turning him into commercial products along the Vancouver Island coast. This is made possible by the action of the Canadian Government in relaxing an old regulation which prevented the use of pilchards except as food. In view of the enormous numbers of the fish sighted in coastal waters every year and the small numbers eaten, the government evidently thought they might as well be used in some way. This change of policy brought quick results, until this summer $2,000,000 has been invested in equipment to handle the fish, and pilchard products will be turned out in enormous quantities for shipment to many parts of the world.

The pilchard has peculiar habits, which make it necessary to work fast in transforming it into useful products. Comparatively little is known of its life history. It is a pelagic spawner; that is, it spawns in the open sea, but where or when has never been definitely determined. Anyway, about the middle of June it comes into the store, an unimpressive sort of creature, a little bigger than a herring. From then on the inlets of the Vancouver Island coast are jammed with vast schools of pilchards, countless billions of them, which remain near shore until November, when they disappear again.

A Question of Supply

How many pilchards there are in the North Pacific, and how long they will last at the present rate of fishing, is a question on which experts are not agreed. Whaling captains who have operated off the coast of Vancouver Island for years, declare that they have seen enormous schools of the fish far out at sea—miles and miles of them—just at the time when they were equally plentiful near shore. On the other hand, some operators in the new pilchard reduction business believe the supply will be exhausted within three to five years. Apparently time alone will tell, and at the moment the fish are so numerous that fishing crews have to work overtime to keep abreast of the run.

The fish are caught in purse seine nets, the most deadly trap the fisher men know. By placing these at strategic points in the larger inlets of the coast the pilchard fishermen will be able to catch astounding quantities of fish in the summer and fall. New boats have been constructed by several firms and equipped specially for this work.

The machinery installed in the new pilchard plants is of new invention and is extraordinarily effective. The fish are brought in by the purse seine boats and fed into one great machine. This macerates, cooks and manipulates them under tremendous pressure. Practically all the oil is squeezed out and flows from pipes into tanks. It is light in color and odorless, the whole process, in fact, being without any objectionable smell. The residue comes out of the machine in the form of meal, thoroughly dry and clean. It is fed into sacks and shipped in this form. The process is continuous, the fish being poured into the machine at one end and emerging as oil and meal at the other.

A Big Industry

These products are extremely valuable. The oil is worth from thirty-five to forty cents a gallon, and some grades cost more than that. When pilchards are fat they produce close to sixty gallons of oil per ton. The plants at present in operation, all but three of them having been installed this summer, will be capable of handling 200 tons of pilchards per hour. This will produce some 12,000 gallons of oil every sixty minutes, or 144,000 gallons in a twelve-hour day. Many of the plants will operate day and night, thus increasing this output largely during the peak of the pilchard run.

So large is the prospective production that transportation companies are making special arrangements to handle it. Vessels operating along the west coast of Vancouver Island are being equipped with enormous tanks which will carry the pilchard oil, and similar facilities will be provided on ships running between here and Europe. The oil will be carried overland after being pumped direct from the ship tanks. The meal will be shipped in sacks, a great part of it to Japan, where it already has proved popular with farmers for fertilizing impoverished soils. In Canada it is used for chicken feed.

Development of the new pilchard industry has brought an era of unprecedented prosperity on the West Coast of the Island. The population has been greatly increased through these operations, and employment provided for many new workers. From the standpoint of the white residents, one of the most satisfactory features of the new business is the fact that only white men and Indians are employed in it. Government regulations allowing the use of pilchards for commercial purposes also provide that no Orientals must be employed in their manufacture.

The growth of this industry has also resulted in the adding of another new trade section to the B.C. Division's list, known as the Fish Meal and Oil Section. This section under the chairmanship of W. R. Lord, of the Lord-Leavelle Fisheries, Ltd., has been functioning actively since its formation in the interests of its members, dealing with such subjects as taxation, eight hour day regulations, standardized containers, etc.

An All-Canadian Salmon May Solve Fraser Problem

Using Northern Routes, Salmon May Reach Spawning Beds on the Fraser Without Passing Through American Waters

STRONG indications that the sockeye salmon run on the Fraser river, once regarded as the most important of all north Pacific sources of food fisheries, is improving, are given by the increased catch this year, and the large number of salmon which went up the river just before the season closed.

Experts declare, that the fish caught by Canadian fishermen are traveling to the Fraser by an all-Canadian route around the north end of Vancouver Island and south through the Straits of Georgia. Thus they are not exposed to the operations of American fishermen, like the ordinary sockeye run, which, as a result of these operations, has been ruined.

Apparently the all-Canadian run is reaching a size of large commercial value, as a result of the little-known work of Canadian hatcheries. For some years the hatcheries along the lower sections of the Fraser River have been retaining the eggs of fish which have been known to travel to the Fraser only through Canadian waters. The fish thus reared are beginning to return in large quantities this year, thus accounting for the phenomenal catch of the last few days.

This development is regarded as extremely important, as it indicates that Canada may yet restore the Fraser run at least to a large part of its former volume. Canada alone can not build up the salmon movement through the Straits of Juan de Fuca, where American fishermen intercept it, it is explained, but through this country's present efforts the all-Canadian run can be developed in a big way.

Outlook is Better

A record catch four years hence, in accordance with the four-year cycle governing the movement of the salmon horde, is expected as a result of this last-minute journey to the spawning grounds this year. The heavy run occurred after fisheries officials had ordered a change to wider mesh nets, allowing greater numbers of salmon to reach the upper reaches of the Fraser's tributaries.

The total pack of sockeye on the Fraser this year almost trebled last season's pack, being 83,400 cases as compared with 30,915. Prices during the early part of the season were unusually high, some fishermen getting as high as a dollar a salmon, but quotations have dropped to less than half that amount lately.

Meanwhile fisheries authorities are preparing to take steps that will ensure a perpetual supply of sockeye on the Fraser and also build up the runs of other species on other rivers in British Columbia. Enforcement of a treaty between Canada and the United States is feared by some canners because of its possible effect on fishing operations. The canners are anxious to be represented on the commission that is being appointed to administer the treaty and which will have power to control, even to the extent of prohibiting, fishing during the summer months.

Increased production of the salmon pack from Queen Charlotte Islands will play an important part in the final figures on fisheries production of British Columbia this year. Increased facilities as well as excellent runs have made the northern islands an important factor. In addition to a heavier output of canned salmon, about 5,000 tons of salted salmon of inferior grades will be shipped to the Oriental market.

Conditions on the Fraser

J. P. Babcock, assistant to the provincial commissioner of fisheries, in his 1925 report calls attention to the fact that in recent years the run of sockeye to the Fraser River system has been maintained almost exclusively by the races of sockeye that spawn in the Harrison-Lillooet watershed, and in such tributaries as Pitt and Cultus Lakes, all of which enter the Fraser below the canyon at Yale. The run to the upper river, which formerly furnished the most valuable part of the Fraser pack, is now so reduced as to have little commercial importance. Apparently the run to the lower river is maintaining itself with little change. The amount of fishing-gear in use remains more or less constant, and the salmon-supply having reached a very low ebb, a state of equilibrium seems to have been attained. If no considerable change is introduced in the amount of gear employed or in the intensity of the fishing, present conditions may possibly be maintained for an indefinite time.

In the last twenty years, as Dr. Gilbert has stated, we have exchanged a river capable of producing over a million cases of sockeye annually for one yielding less than 10 per cent. of that amount. The Fraser will remain at its present low ebb of production unless present profits, which are inconsiderable, are surrendered in order that the former runs of abundance may be restored. It is surprising that the selfish interests of a small minority have for so long governed in this case. The great majority of the people of the nations concerned appear to be ignorant of the destruction of this great food asset. A sufficient interest has not been manifested to secure, by treaty between Canada and the United States, the measures necessary to restore the Fraser runs of sockeye to commercial importance.

Nothwithstanding that all previous efforts have failed to put through treaties, a new treaty has been drafted, which is regarded by Government officials and large packers as the most practicable and feasible plan that has been suggested, and under which it is believed the fishery might be restored. The proposed treaty provides for the control of the fishery, within prescribed boundaries, by an International Commission of six members—three Canadians and three Americans—the consent of two of the members from each side being necessary to action. As drafted, the proposed treaty provides that two of the three American members shall be residents and citizens of the State of Washington, and shall be appointed by the president from nominees recommended by the Governor of the State. This latter provision is held responsible for delay in action. The State Department of the United States is said to be willing to guarantee that two members shall be elected from the State of Washington, but is opposed to the provision being written in the treaty.

Mr. Babcock is convinced that the restoration of the sockeye-salmon fisheries of the Fraser River system is the greatest reclamation project in which Canada and the United States can jointly engage and that, too, with the least expense and most certain results.

Has Applied Science to the B.C. Fisheries

John P. Babcock, British Columbia Deputy Commissioner of Fisheries, and the man who put the commercial fishing of this Coast on a scientific basis, had completed his twenty-fifth year at the head of the B. C. Fisheries Department.

It was Mr. Babcock who first explored for the people of Canada their vast heritage of marine foods and it was he who first demonstrated the need of protecting these resources by regulation and control. Now in his twenty-sixth year of service, Mr. Babcock is in the middle of a supreme attempt to rebuild the great salmon fisheries of the Fraser River and to save the halibut hordes of the North Pacific. The success of these projects, now well under way, would place the British Columbia fishery head in a position of unsurpassed achievement among marine scientists.

It was on October 15, 1901, that the British Columbia Government brought Mr. Babcock here from California to organize its fisheries department. This move met with emphatic protest in some quarters on the ground that the new fisheries expert was a United States citizen. To this complaint the government retorted that he was the best man obtainable in the world for the formidable job of conserving British Columbia fisheries and accordingly his work began.

Mr. Babcock commenced with a survey of the Fraser River, then a stream which the sockeye salmon crowded annually, offering a harvest worth millions a year. It was a stream of mystery to the fishermen and the canners; scientists, too, were puzzled by the peculiar habits of the fish and the fact that every four years their run was far greater than in the preceding three. Ever since those early days Mr. Babcock has been studying the Fraser River salmon and long ago was recognized as the greatest living authority on the subject.

From years of observation and research he established theories about the Fraser salmon which gave scientists an entirely new conception of the whole fisheries conservation problem. As a result of this study, he was able to predict from year to year what fishery operators might expect of the following salmon runs. And now on the basis of this knowledge, he is leading the fight for the restoration of the Fraser fisheries, practically ruined for lack of international control.

Problems of Biggest B.C. Industry May be Solved by Lumber Mills' Merger

(Continued from page 17)

operations apart from ordinary taxation.

Water Borne Lumber Trade From B. C.

Year	Total Ft. B. M.
1915	58,074,773
1916	43,676,523
1917	43,922,563
1918	88,069,029
1919	108,872,266
1920	146,624,269
1921	188,733,299
1922	273,146,800
1923	521,707,132
1924	506,000,000
1925	577,000,000

It is quite reasonable to estimate the capital invested in the sawmills of British Columbia at between $80.-0000,000 and $85,000,000.

Boom in Water Shipments

The great expansion of water borne shipments which came with the opening of the Panama Canal and greatly helped to restore production, is indicated in the following table showing an increase of about one hundred per cent. at that time, and this has been well maintained since:

Year	Total Forest Revenue	Total Net Revenue of Prov. of B. C.
1902	$ 198,666	$ 2,044,630
1903	405,826	2,638,260
1904	455,366	2,920,461
1905	574,467	3,044,442
1906	859,877	4,444,593
1907	1,696,480	5,979,054
1908	2,785,807	4,664,500
1909	2,449,960	8,874,741
1910	2,492,328	10,492,892
1911	2,654,824	10,745,708
1912	2,753,579	12,510,215
1913	2,999,328	10,479,258
1914	2,342,679	7,974,496
1915	1,922,558	6,291,693
1916	2,005,904	6.906,783
1917	2,338,333	8,882,846
1918	2,730,808	10,931,279
1919	2,755,738	13,861,602
1920	3,508,842	15,219,264
1921	2,956,292	16,987,840
1922	3,247,033	19,069,706
1923	3,790,407	19,293,621
1924	3,782,327	18,921,295
1925	3,890,896	18,823,358

Advantages of Merger

The plan for the merging of the interests of a number of the mills in Washington, Oregon and British Columbia is based on the idea that by this means it will be possible to control the output of logs and timber, and thus bring about a curtailment of supply to an extent which will restore more healthy price conditions. At present some of the mills are making small profits and others are not able to show anything like satisfactory returns on the investment at ordinary interest rates. Should the merger work out successfully it would help the industry as a whole with both the big and small independents sharing in the benefits. The sufferers would be the smaller independents not entering into the merger and not having an adequate supply of raw material of their own. This would particularly affect the smaller American independents rather than those operating in Canada because, owing to physical and operating conditions in British Columbia, the independent logger is still an important factor, the forest areas do not adapt themselves so well to large scale operations as they do in the Northwestern States.

Independent loggers would, therefore, be in a position to supply independent mills in British Columbia to a larger extent than promises to be the case on the other side of the border.

Should the merger be carried through and prove a failure, it would probably have the effect of still further disorganizing and depressing conditions in the industry which are largely the result of uncontrolled competition and production of a larger scale than warranted by consumption.

The Forty Cent Hour

A serious problem for the mill operators in British Columbia has been created by the 40 cent minimum hour wage scale. This measure was forced on the government by the small labor faction which controls the balance of voting power in the legislature. Its stated purpose is to create conditions favorable to white workers as opposed to the Oriental. The eight-hour day was put through with the same aim, but it is declared that is failed, and that the minimum wage will fail likewise. The theory is that if the operators are forced to pay 40 cents an hour they will get white men who can earn that wage in preference to Orientals who cannot earn it. With this theory those with a practical knowledge of the working conditions in the industry do not agree. They say that it will simply mean that they will get a better class of Orientals, because there is a relatively small number of white men who do not now get 40 cents an hour or more. It has been estimated that 40 per cent. of the added cost will go to the Orientals.

The operators submitted a proposal to voluntarily reduce the percentage of Orientals in their mills over a period of years, but the reply of the government was that the bill had already been passed and could not be altered.

This forty cent hour measure will have the effect of raising operating costs, and perhaps closing some of the mills where there is not in sight a timber supply for a period of years to warrant the introduction of further labor-saving machinery. Competitive conditions are so keen, and the margin of profits so small that even for the mills which are in a position to make adjustments, the additional labor bill promises to be a serious matter for the immediate future at least.

Altogether the outlook for the lumber industry of British Columbia can hardly be regarded as bright, but it should not be forgotten that the timber areas of the Northwest Pacific comprise perhaps the last great readily available supply on the continent and when adjustments are made to bring output in line with consumption, there should be established a sound operating basis with increasing profits as supplies are gradually exhausted.

B. C.'s Timber Wealth

British Columbia claims within its borders about 80 per cent. standing merchantable saw timber of Canada, the stand being estimated no less than 345,762,000,000 billion ft. S.M. There is also an estimated stand of 47,500,000 cords of pulpwood, cordwood, posts, etc., also 377,772 cubic feet of hardwood. A wide variety of trees make up this huge stand, the chief among them being the Engelmann and Sitka spruce, western white pine, western yellow pine, Douglas fir, western hemlock, balsam fir, western red cedar, larch and cotton wood.

The total timber cut and scaled last year amounted to 2,611,266,527 feet B.M. This cut was apportioned as follows among the different species:

Douglas fir	1,016,931,575
Red cedar	761,424,202
Spruce	209,036,148
Hemlock	305,659,173
Balsam	69,757,894
Yellow pine	41,116,018
White pine	30,653,478
Jack pine	56,350,628
Larch	46,715,296
Miscellaneous	73,622,137

In the production of this vast quantity of timber, there are about 3,046 logging operations being carried on, while the sawmill capacity for the year was 13,604,000 ft. per day, a slight decrease from the previous year. 78 per cent. of the mills representing 82 per cent. of capacity operated during the year, the lumber produced representing approximately 50 per cent. of the total possible production if these mills had operated throughout the year.

Shingle mills had a capacity of 15,947,000 shingles per day, 82 of them, or 92 per cent., operated some time throughout the year.

British Columbia lumber holds an enviable position in the world's markets, no less than 577,560,318 ft. being shipped by water to foreign points last year. This is an increase of over 400 per cent. in five years. Of this quantity 361,016,388 ft. went to the United States, 67,671,449 ft. to Japan, 53,845,679 ft. to the United Kingdom and the Continent, 40,228,887 ft. to Australia, 12,820,848 ft. to Egypt.

A total of 210,417,961 ft. of logs were also exported from British Columbia last year.

The pole, post and tie industry has made considerable headway in production, but this has been offset by the drop in prices, so that the value shows a decrease of $395,080 from the previous year.

The industry has clearly demonstrated its ability to go out and secure a large percentage of the world's timber trade as is shown by the enormous increase in the off-shore business in the past five years.

If this trade can be maintained as it undoubtedly will, it will have a stabilizing effect on conditions in all branches of the industry.

There would seem to be no question but what existing markets can be retained and additional markets secured, providing proper efforts are made to do so. This has been clearly demonstrated by the success which has attended the Wembley Exhibit, new business having resulted to the extent of 25,000,000 ft. in European shipments.

Premier Salvage Ship Operates at Victoria

VICTORIA.—The B. C. Salvage Company has had built a specially constructed salvage steamer, the "Salvage King," at a cost of $500,000. This vessel has a steaming radius of 10,000 miles, and is equipped with all the most modern appliances necessary for successful salvage work. She is recognized as the premier vessel of her kind in the world to-day.

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TOBACCO CROP IN THE OKANAGAN IS PROVING SUCCESS

Improvements Effected as Results of Experiments Conducted

FOLLOWING the promising experiments made in 1925 in the growing of tobacco in the Kelowna district, and on the Dominion Experimental Station at Summerland, production on quite an extended scale was entered upon this season with successful results. In the Kelowna district fifty-five acres were planted to tobacco.

According to A. J. Mann, assistant superintendent of the experimental farm, some excellent stands of tobacco were grown this summer while others were only fair, but the net result achieved is very promising for the future, and it is an easy matter to visualize the time when tobacco will become an important cash crop in the Okanagan Valley.

Arrangements have been entered into between O. R. Brener, of Vancouver, for the purchase of the entire tobacco crop of the Kelowna district under a favorable contract. He is hoping to contract for 1,000 to 1,500 acres next and subsequent years under a long-term contract.

Recently Major Don Martyn, head of the provincial department of industries, has been looking over the tobacco situation at Kelowna, and it is possible that an arrangement may be entered into under which the department will advance money to the growers to erect the curing sheds that must be provided should tobacco culture be undertaken on a large scale.

C. M. Slagg, of Ottawa, who is in charge of tobacco growing activities throughout Canada for the Dominion Government, also visited Kelowna recently and expressed himself as being well pleased with the progress that has been made, both experimentally and commercially. He promised that the experiment work will be continued.

The departmental experimental work at Kelowna this season has consisted of two acres of tobacco, one on the high land under irrigation, the other on low land without water. The land was planted in quarter-acre blocks to favorable varieties of tobacco, general results and production costs being recorded.

At the Summerland station, Mr. Mann states, two acres of tobacco have been experimentally grown and variety tests have been carried on, including Turkish tobacco, which has done well. It appears that the Okanagan Valley is the only place outside Turkey where the Turkish leaf has been successfully produced. Another interesting test being carried out at the farm has been a harvesting test, which consists of garnering the leaf at certain dates subsequent to "topping." Other tests have been conducted to ascertain the best distances to plant in the rows, and between rows, in order to produce the best quality of tobacco leaf.

Larger Areas Being Planted to Vegetables

Larger areas in British Columbia are being planted to vegetables and the industry is making rapid strides. The total vegetable crop amounted to 251,021 tons, which represents an increase of 31,088 tons, or 14.13 per cent., over the year 1924.

The acreage of potatoes shows an increase of 10.81 per cent. from the previous year. The average yield per acre was 5.24 tons, as compared with 5.40 tons in 1924.

The production of outdoor tomatoes amounted to 21,831 tons, which is 83.67 per cent. more than the previous year.

The production of greenhouse tomatoes is steadily increasing as larger areas are put under glass. The crop last year amounted to 920 tons.

INDUSTRIAL OPPORTUNITIES

(Continued from page 20)

were imported, 94 per cent. from the United States. This quantity was valued at $1,368,235, or an average monthly trade of 195,977 gallons worth $171,025. The average monthly consumption of soya beans and soya bean cake for use in the manufacture of cattle foods and fertilizers was 67,200 valued at $1,285. 85 per cent. of this was supplied by the United States Refineries. In addition to this Canada imported 13,339,902 lbs. of crude peanut oil for refining purposes, 47 per cent. being from the United States. This quantity was valued at $1,179,094.

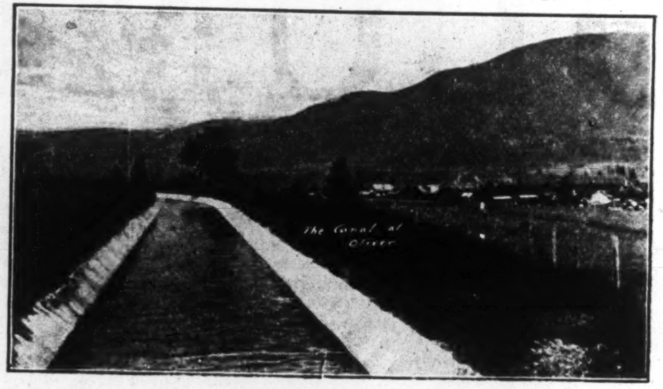
With markets readily available and a constant supply of raw materials assured, there appears to be no reason why such an industry should not be successful. Operating on the basis of supplying only 40 per cent. of the Canadian demand, the establishment of a vegetable oil refinery on the British Columbia coast would divert at least 600 tons of raw material into our own shipping channels and increase the trade of the province as a whole.

Delightful Victoria

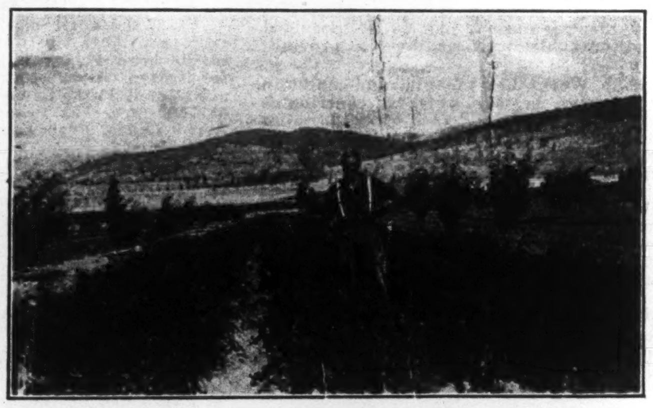
The average winter day temperature in Victoria is 42 degrees, the average summer day temperature 61 degrees Fahrenheit, while the average annual rainfall is only 27 inches, and the average daily sunshine 5.9 hours, one of the highest in Canada.

There are no mosquitoes, no thunderstorms, no blizzards, no zero weather.

The Okanagan Valley



In the Okanagan—Main Irrigation Canal at Oliver



In the Okanagan—An Intercrop of Tomatoes

THE Okanagan District in British Columbia is an irregular strip of country stretching in a general north-to-south direction from Sicamous Junction (on the Canadian Pacific Railway main line) to the International Boundary. The total length is about 150 miles, with a width of from 2 to 6 miles. On the west ranges of mountains from 5,000 to 7,000 feet high form the divide with the Nicola-Princeton Districts, and on the east the Gold Range and the Kettle Mountains, with the valley of the same name.

The general aspect is that of a high rolling plateau, with numerous valleys which contain considerable areas of arable bench and bottom land. The principal valleys from north to south are those of the Spallumcheen or Shuswap River, Mabel and Sugar Lakes, Creighton and Trinity Valleys, Okanagan Lake, Kalamalka Lake, Okanagan Mission, Trout Creek, Okanagan River and Osoyoos Lake. Elevations in the main Okanagan Valley range from 1,130 feet up to 2,600 feet in the subsidiary valleys.

The northern end of the valleys, where the rainfall is generally sufficient for all purposes, is a good mixed-farming and dairying country, a large part of it being open, some lightly wooded, and the rest more heavily timbered with conifers.

The Okanagan Lake itself is about 70 miles long, and it is approached from the north a milder and drier climate is found, from Vernon southward irrigation being necessary on all the bench lands. Luxuriant vegetation is wholly confined to the borders of the lake and watercourses, while the higher benches and round-topped hills present the characteristic semi-barren appearance of Dry Belt pasture or range lands. Appearances are deceptive, however, for here these hillsides and benches furnish excellent grazing, and can be transformed into fruitful fields and orchards by the application of irrigation.

Continuing down Okanagan Lake, the west side is generally more hilly and broken by ravines than the east, the peculiar bench formation, a relic of past glacial action, being very noticeable at Summerland and Penticton, also at Naramata, on the east side of the lake.

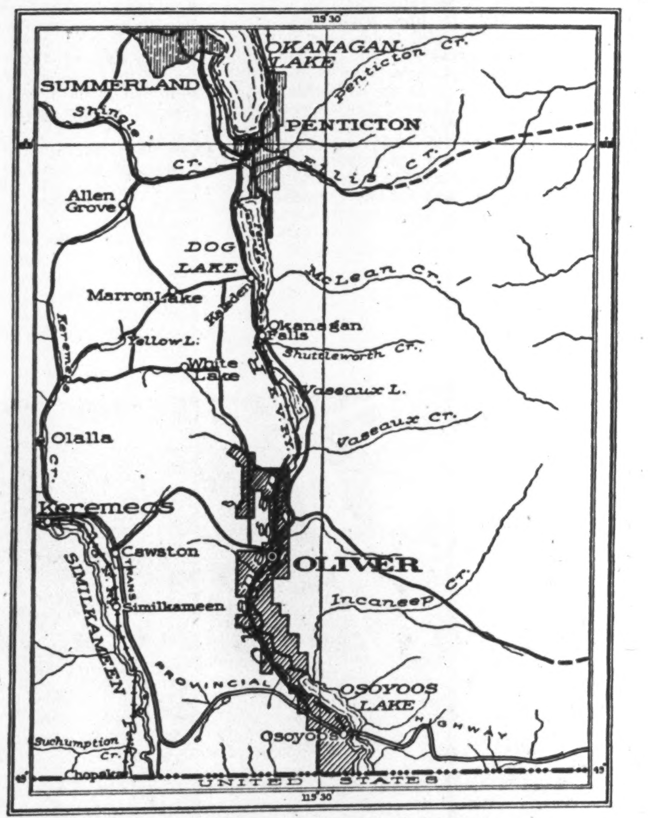
South of Okanagan Lake is Dog Lake, 8 miles long, with Okanagan Falls at the southern outlet. From this point the valley is drained by the Okanagan River, which expands into Osoyoos Lake at the International Boundary. This southern portion of the valley is practically free of timber and the valley widens out considerably, with the usual benches of varying elevation on either side

The Government of British Columbia is developing for settlement a tract of 22,000 acres, known as the Southern Okanagan Irrigation Project, in the Southern Okanagan Valley of British Columbia.

Thirteen thousand acres of this tract are irrigable and are from time to time being offered for sale at reasonable prices and favorable terms in blocks of approximately 1, 5, 10, and 20 acres each.

The Okanagan Valley is the principal fruit-growing section of Western Canada and the Project covers the best portion of the southern part of if. An early growing season provides a great advantage when competitive markets and the comparatively high prices for early products are considered.

The Project area extends from a point about 22 miles south of Penticton, on the main line of the Kettle Valley Railway, to the International Boundary, 4 miles north of Oroville, in the State of Washington. The development of the Project is well under way; there being about 160 orchard lots now established and over 100,000 fruit-trees set out. There are now about 1,850 acres sold, and a further 505 acres taken up under river-bottom land leases.



The Okanagan Irrigation Scheme

Big Increases in 1926 Fruit Crop Indicated by Estimates

Final estimates of the crop of the Okanagan and other fruit growing districts in British Columbia indicate a material increase for 1926 as compared with 1925. The Okanagan apple crop will exceed 3,200,000 boxes, as compared with about 2,500,000 boxes for 1925, while there are also big increases for pears, plums and prunes, and a smaller increase for crabapples. For the other districts the figures also show increases of greater or less extent.

FRUIT CROP ESTIMATE IN BOXES

	Apples		Crabapples		Pears		Plums & Prunes	
	1925 Crop	1926 Est.	1925 Crop	1926 Est.	1925 Crop	1926 Est.	1925 Crop	1926 Est.
Okanagan	2,553,449	3,217,000	115,623	117,850	16,484	100,900	77,766	215,350
Kootenay	244,192	358,500	5,288	5,750	1,752	9,500	8,806	18,300
Mainland	12,766	20,000	.....	.....	1,970	6,000	7,420	25,000
Islands	48,652	30,000	829	1,000	5,325	8,500	5,667	6,000
	2,859,059	3,625,500	121,740	124,600	25,531	124,900	99,659	259,650

Raising Rats to Meet the Demands for Hudson Seal

Fur Farming is Becoming One of the Important Industries of British Columbia — Annual Revenue More Than $3,000,000

BRITISH COLUMBIA, with an annual revenue from raw furs already amounting to more than $3,000,000, expects to cash in on a much larger scale in the near future as a result of the successful development of the fur farming phase of the industry.

Fifteen years ago, when the Canadian Government joined with Japan, Russia and the United States in an effort to curb the unrestricted slaughter of seals in the North Pacific and signed the pelagic sealing treaty a loud protest was raised that Canada was proceeding to voluntarily kill the fur trade of Western Canada. Since that time, however, enforcement of the treaty has made it necessary to readjust conditions entirely and this has been done with comparatively little effect on the financial returns of the fur industry. In fact, with the fur farms contributing their annually increasing horde of pelts, it is obvious that the value of the annual production will soon soar to a level hardly guessed at in the good old sealing days.

No one worries to-day about the scarcity of sealskin; first, because there is no actual scarcity and, secondly, because the substitutes for the real thing has been found more popular than the genuine.

Rats for Seals

The big market demand for sealskin in the chief trading centres is for the commodity known as "Hudson seal." This is a glossy, black fur not so durable perhaps as the sealskin that was sought in the picturesque schooners of more than a decade ago, but much less expensive.

And "Hudson seal" is really not seal at all, but muskrat. The supply is not obtained on the desolate, all but inaccessible isles in the North Pacific, but from the marshes of central British Columbia, and the advent of the fur farm has facilitated the production of this fur tremendously.

For some years the muskrat has been an important item in British Columbia's fur production, but until the last few years it has been the chance victim of the trapper. The number of "Hudson seal" pelts produced in a season varied with the luck of the trapper. Now, however, it is systematized and reduced to a fairly exact science.

Canada's largest muskrat farm is now being established at Swan Lake, about forty miles west of Quesnel, in central British Columbia. This farm consists of an area of swampland, lake and woods totalling approximately 7,000 acres. A large part of this has been inclosed by wire fence to keep out predatory animals and around its edge a constant vigil is maintained by mounted guards, who set traps for owls and other vermin and mend the breakages caused by marauding moose, bear and other big game. There are said to be about 4,000 muskrats on the farm now, and it is at present in process of being stocked, weekly disbursements to trappers amounting to $1,000 giving some idea of the extent of the purchases of live animals. It is calculated that the farm will eventually have an annual output of 50,000 pelts.

Fur Farming Grows

Almost every species of fur-bearing animal known to Canada is trapped in British Columbia, and while the muskrat, beaver and fox are so far the only animals that have been "farmed" to any considerable extent, it is expected that others will be raised on a similar basis later on.

There is still sufficient wild land, however, to ensure an enormous supply of fur every year, whether or not the farm idea advances. All through the interior ranchers add to their yearly income by trapping operations during the winter, and in more remote places scores of men earn their entire livelihood from following the trap lines.

The provincial government has pursued a definite policy of conservation in respect to fur animals and the whole system was reorganized comparatively recently when members of the provincial police force were automatically appointed game wardens. Close seasons have frequently been established in order to prevent the threatened depletion of certain species. Operations against the beaver in the Cariboo district four years ago were so extensive that a complete ban on beaver trapping was declared for a period of years, and only recently has the stock shown a tendency to regain its former strength.

Vancouver Wants Market

Establishment of a certain fur market at Vancouver has been urged by business interests who see no reason why the trade should be centered in Seattle. In the old days Victoria was the hub of the north Pacific's fur industry, but the island city lost this position when the transcontinental railroads began to exert their influence, but instead of Vancouver obtaining the bulk of the business it shifted south of the line, notwithstanding the fact that an enormous proportion of the pelts handled originate in Canadian territory. Volume of sales is the determining factor, and Vancouver interests hope by building up sentiment among traders and trappers in favor of their project to swing the trade pendulum back to Canadian soil, where it belongs.

Liquor Laws of B.C.

Permits are issued to residents or bona fide tourists on the payment of a fee of $2. Liquor can then be purchased from the government stores. Formerly temporary permits were issued for a smaller fee, but this system has been changed.

Beer is sold by the glass in districts which have voted in favor of beer parlors. Women are not allowed to frequent such parlors.

VANCOUVER SURE TO DRAW LARGE GRAIN TRAFFIC

Serves Vast Tributary Area Where Expansion is Certain

THE importance of Vancouver as a grain port will at once become apparent when it is remembered that the Pacific Coast line and the western limit of the great prairie wheat fields converge towards the north and diverge towards the south. As an illustration of this fact it may be mentioned that the distance by rail from San Francisco through the Rocky Mountains to the western edge of the great prairie wheat fields is at least 1,250 miles. From Portland or Seattle 1,000 miles and from Vancouver barely 600 miles.

With these facts in mind no one can doubt that the exportation of grain via British Columbia ports is destined to increase at a rapid rate and that the Port of Vancouver will benefit tremendously by this movement.

The production of the metal mines of British Columbia, which is to-day being shipped to market from British Columbia ports in the form of ore, concentrates and smelter products, amounts to approximately 400,000 tons annually. The bulk of the ore and concentrates comes from mines situated on the coast and is being shipped to foreign smelters, principally in the United States, but approximately 65,000 tons per annum of smelter products are at present being marketed through the port of Vancouver, and there is every prospect that this movement will increase in future.

The total area of the harbor is 48.78 square miles, of which over 28 square miles are land-locked and undisturbed by wind from any direction. The total shore line is 98 miles. The average rise and fall of the tide is a little less than twelve feet. The harbor is open to navigation all the year round. The entrance channel is about 1,200 feet wide, with a minimum depth of 36 feet at low tide, and is capable of further widening or deepening should occasion ever demand such.

At present the bulk of the shipping, both deep sea and coastwise, is concentrated on the south shore of the central part of the harbor, a body of deep water extending about five miles from First to Second Narrows, with an average width of 2¼ miles.

The territory whose foreign commerce the port already largely handles, embraces an area of approximately 500,000 square miles, about 60 per cent. of which is served by railways at the present time. To-day this area has a population of approximately 1,750,000 people. Within the last 25 years the population of this tributary territory has increased over five-fold, its railway mileage has increased probably five or six times, and its production has grown from insignificant figures to noteworthy proportions. The potential wealth of this district is so great that one hesitates to make a suggestion as to what the next 25 years will accomplish, particularly when it is realized that its area is equal to one-sixth that of the entire continental United States.

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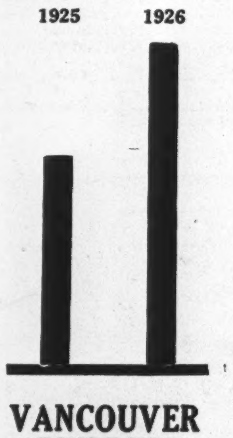

Investors Can Share Vancouver's Prosperity

VANCOUVER BUILDING CONSTRUCTION

$23,000,000 in new buildings in 9 months of 1926 against $15,000,000 in 9 months of 1925 — an illustration of the soundness of Vancouver's growth.

THE great progress being made industrially by Vancouver and as the financial centre of a large part of Western Canada make it daily more evident that the Canadian investor who is not being kept in touch with Vancouver is discounting a considerable portion of the future economic activities of Canada as a whole. Investors can share in the present and future prosperity of Vancouver only if they are adequately informed and soundly advised.

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BRITISH COLUMBIA

THE scenic highways of British Columbia are yearly attracting greater attention from touring motorists. Over a considerable part of the more thickly settled portions of the Province the roads are used by motor-cars the year round with safety and comfort, and for the remainder the roads are in excellent condition for touring on an average of nine months in the year. The trans-provincial highway is in perfect condition all the time.

There is a comprehensive highway system in the province, comprising over 17,000 miles of roads and about 9,000 miles of trails. These lead to every corner of the province except the extreme northern belt, and open up the mountain ranges, national and provincial parks, fishing lakes and streams, big-game outfitting points, pleasure resorts, golf links innumerable, seabeaches, and scenes of natural beauty unequalled in character and diversity.

Good hotel accommodation will be found by tourists in all cities and towns, and for those who wish to camp well-regulated motor camps are provided by nearly every community, or by the provincial Forest Service in timbered areas. The weather will be found delightful at any time of year.

For those who seek a genial clime during the severe winter months of the east British Columbia's coast cities and towns offer inducements not to be surpassed and, as already mentioned, motoring is enjoyable at all seasons. Golf is played twelve months in the year. Flowers blooming in the gardens on Christmas Day are not remarkable; in fact, there are favored spots where flowers of one variety or another keep a perpetual round of bloom in the garden from year's-end to year's-end.

Splendid Highway System

The present magnificent highway system of the province is, of course, the natural development from the wagon-trails blazed by the pioneers, gold-seekers and land-seekers, who sought its fertile valleys and golden sands in times remembered by many still living. This system of 26,000 miles of roads and trails is the growth of 70 years at the outside Great part of the roads have come into existence within the past quarter century. Some idea of the duty cast upon the provincial government to furnish roads and trails may be gathered from the fact that only two-fifths of one per cent. of the area of British Columbia is within municipal limits, although containing 72.50% of the people. The other 99.60%, unorganized territory, as it is known officially, containing but 27.50% of the population, has to be provided with roads, as with all other public services, by the province and at the general expense.

The Department of Public Works has to build and maintain roads, bridges, trails and ferries, besides which it contributes 75% of the cost of construction and maintenance of 194.23 miles of primary highways and 50% of the cost of construction and 40% maintenance of 153.54 miles of secondary highways lying within municipalities. It has built 6,000 miles of mining trails to assist mine-owners in getting out their ore. It maintains bridges totalling a length of 64 miles and of an aggregate value of $10,000,000. It operates 61 ferries in lieu of bridges, and subsidizes 6 others. All these activities are efficiently carried on under the supervision of Hon. W. H. Sutherland, Minister of Public Works, and P. Philip, Deputy Minister and Chief Engineer of Public Works. Prior to Confederation all public works were constructed and maintained under the direction of the Royal Engineers, commanded by Colonel Moody. After 1871 Lands and Works were administered jointly as one department, but in 1908 the great importance and expanding business of both branches led to their division into two departments, each under a responsible minister.

Sir James Douglas, first governor of the two Crown colonies which later became the province of British Columbia, was a great road-builder. Thanks to him and to his surveyor-general, the late J. D. Pemberton, the beginnings of the excellent system of roads on Vancouver Island were established. The Royal Engineers did fine work in building roads and bridges in the fifties and sixties on the Lower Mainland. In 1862 they were set to work by Governor Douglas to cut a road out of the rocky sides of the canyon through which the Fraser River flows between the old town of Yale, then the head of navigation from New Westminster on the Fraser, and Lytton, at the confluence of the Fraser and the Thompson Rivers. At the same time contracts were let for other sections of a great road which led to the Cariboo gold fields in the vicinity of Barkerville. Although the canyon section of the famous highway, the Cariboo Road, fell into disuse after the C.P.R. reached the coast, and was so greatly damaged by railway construction that access by road from the coast to the interior on Canadian soil remained impossible for forty years, the greater part of the Road remained in active service throughout the years and has done its part in opening up the central interior.

Huge Difficulties Overcome

Through the years local road-building has been going on to meet local needs, and in the course of time road systems have become extended and have been linked up one with another. Extension is all the time going on, while old roads are being widened, straightened, regraded and resurfaced. The people of British Columbia are properly proud of their roads and deserve great credit for achievements in this line. It is difficult for anyone from the east who has not visited the province to realize the great difficulties which have to be overcome. Not only have the means of transportation to be provided for 99.5% of the area but immense distances have to be covered and the physical characteristics of greater part of the country render road-building a costly undertaking, at the same time increasing the expense of river-crossings. The scattered settlement, the remoteness of some of the communities and the cost of labor and materials all add to the difficulties. All the greater, therefore, the credit due for building 32,000 miles of roads and trails of all kinds in this young province.

On Vancouver Island the Island Highway runs from Victoria to the entrance to Strathcona Park, 175 miles, along the east coast. A branch of 40 miles crosses to the west coast at the two Albernis, Pacific end of the Canadian Highway, and great inland lakes. Around the southern end of the Island roads diverge from Victoria for 75 miles.

Leaving Vancouver the trans-provincial highway starts eastward over the Yale Road, following the south shore of the Fraser to where it turns northward. The north shore is followed for almost the same distance by the Dewdney trunk road. Near New Westminster the Pacific Highway turns south, enters the States and ends finally on the California-Mexican boundary, 1,750 miles away. Mention has been made of the Fraser Canyon section. From Lytton 22 miles of road remain to be built eastward to complete the transprovincial highway. This will be finished late next year and meanwhile traffic detours — but not over "detour" roads—by way of Lillooet and Clinton to Ashcroft.

Splendid Districts Tapped

From Ashcroft there are two branches of the highway. The northern branch proceeds to Kamloops, thence to Vernon by a choice of routes, and down through the fruitlands of the Okanagan Valley to Osoyoos. The southern branch runs by way of Princeton and the Similkameen Valley to the same place. At Osoyoos the highway turns eastward and follows through the highly mineralized Boundary District to Nelson, whence a ferry crosses Kootenay Lake. Resuming near Creston and touching the old Dewdney Trail, surveyed by the late Hon. Edgar Dewdney in the sixties, the road traverses the Kootenays and leaves the province through the Crow's Nest Pass, approximately 900 miles from Vancouver by the routes given.

A second route through the mountains is by the Banff-Windermere highway, which runs into the Columbia-Kootenay highway. The latter leaves the trans-provincial highway at Cranbrook and from Golden, at its northern end, a road through Yoho National Park will next year connect with a road from Lake Louise already built as far as Field, offering a third route between British Columbia and Alberta. To Nelson, Cranbrook, Fernie, Rossland, Trail and Grand Forks improved highways lead from Montana, Idaho and Washington. A road from Nelson to Kaslo leads to Kokanee Provincial Park.

From the north end of Okanagan Valley the route from Ashcroft continues eastward to Revelstoke and thence southward to the head of Arrow Lakes, where steamer connection is made for Nelson. A scenic road of 19 miles ascends Mount Revelstoke, a National Park, immediately back of the city, reaching its top at 6,150 feet. The Vernon-Edgewood road connects Okanagan and Arrow Lakes. From Kamloops a road follows the North Thompson River for 120 miles, and will eventually join up with an existing length of road to give highway access to Mount Robson Park. It will be understood that what is here being given is only a bare outline of main routes. In every case there are alternative routes, cross-roads and local roads without number, most of which will repay the traveller who has time to explore their charms.

Returning to Ashcroft, the Cariboo Road invites a tour over its broad and smooth surface, 215 miles north to Quesnel and 60 miles further east to Barkerville. From Lytton, through Lillooet, to a junction with the Road at Clinton is 94 miles. This latter was the route followed until the canyon section was destroyed and the route followed to-day from the coast to the Cariboo. After the railway came through, Ashcroft became the southern end of the Road. Lillooet originally had that position, all mileages on the Road being measured from there, and where mileage enters into the nomenclature of stopping-places it is on that basis. From Quesnel the highway continues north 72 miles to Prince George, from whence it runs west and north 300 miles to Hazleton, in places practically on the line of the old Dawson trail. The road actually continues 10 miles west to Skeena Crossing, and extensions westward from there and eastward from Terrace will add another 75 miles to it. It will not be many years before it reaches Prince Rupert. Thirty miles northeast of Prince George a pleasant drive is to Summit Lake, across the Pacific Divide. There one can gaze on or fish in waters which find their way into the Arctic Ocean, at the head of a much-travelled water route to the Peace and other great rivers of the north.

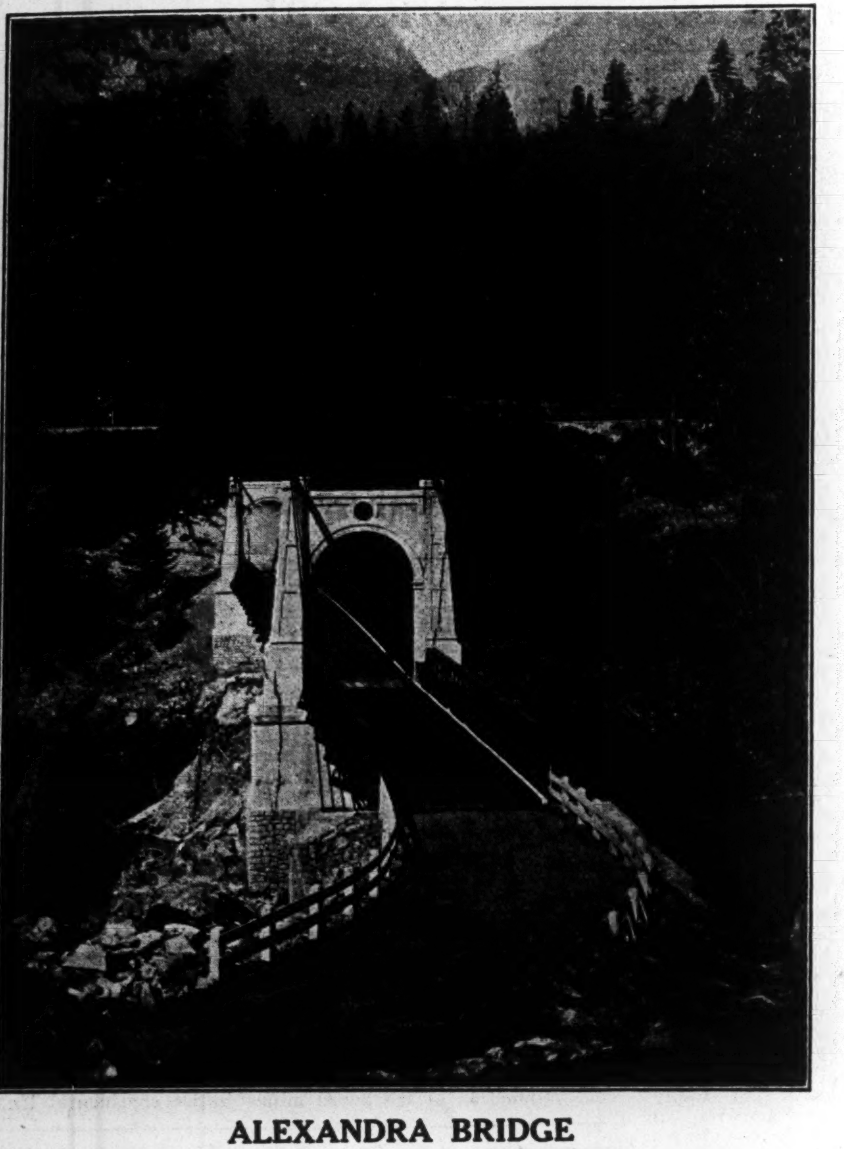
All the way from Lillooet to Prince George there are roads leading off east or west to mining camps, agricultural settlements, cattle-raising districts or hunting grounds of Lillooet, Cariboo and Chilcotin districts. A motor trip through these districts is a pleasure long to be remembered. At every point there is comfortable hotel or ranch-house accommodation and meals which are proverbially fine.

What Roads Have Meant

There is to-day in British Columbia one motor vehicle to every nine persons. The registrations have grown from 175 in 1907, or one to every 3,000 persons, to 55,657 in 1925. This year there had been over 60,000 vehicles registered to the first of October, and at the rate at which new registrations have been coming in it is estimated that at December 31st there will be about 62,000 cars in operation.

The number of touring cars entering the province has greatly increased within the past two years. From the United States there came in 75,081 cars in 1924, while in 1925 there was a jump of over 40 per cent., to 106,176 cars. The figures for the present year are expected to show a further increase. During one week-end in July 3,992 United States cars entered British Columbia. Besides this are the cars from other provinces, of which there were about 1,000 last year, excluding ordinary traffic back and forth across the B.C.-Alberta boundary.

Full information regarding the roads of the province, its resources, scenic attractions, fish and game, can be obtained free from the Bureau of Provincial Information, Victoria, B.C., which has recently published a booklet on highways and motor camps.



ALEXANDRA BRIDGE

This splendid bridge, completed August, 1926, crosses the Fraser River at Spuzzum on the Yale Cariboo Road. It takes the place of the old Alexander suspension bridge erected 1863. The roadway of the new bridge is 16-ft. wide.

MILEAGE, NUMBER, TYPES AND VALUATIONS OF PUBLIC WORKS

(a) Highways

Type	Mileage	Approx. per mile average cost	Valuation Total	Mileage percentage of total mileage
Ordinary earth	12,810	$2,000	$25,078,000	75.08%
Gravel	4,000	4,500	18,471,000	23.45%
Macadam (water bound)	44.5	9,000	400,500	0.25%
Bituminous Coat	74.3	7,500	557,250	0.44%
Paved	133.81	27,500	3,604,550	0.78%
TOTALS	17,062.61		$48,111,300	100%

(NOTE—Roughly ¾ of our roads unsurfaced and less than 1% paved.)

Trails

9,000 miles ordinary trails, @ $300 per mile	$2,700.000
6,000 miles mining trails, @ $100 per mile	600,000
	$3,300,000

(b) Bridges

Type	Length—Miles	Valuation
Log Stringer Trestles	22.75	$ 731,056.00
Pile and Frame Trestles	26.40	1,411,340.00
King Truss Spans	4.10	1,036,824.00
Queen Truss Spans	1.11	302,130.00
Howe Truss	7.53	2,807,500.00
Suspension Bridges	0.61	801,000.00
Reinforced Concrete	0.03	4,800.00
Steel Truss Bridges	1.39	2,724,560.00
TOTALS	63.92	$9,819,210.00

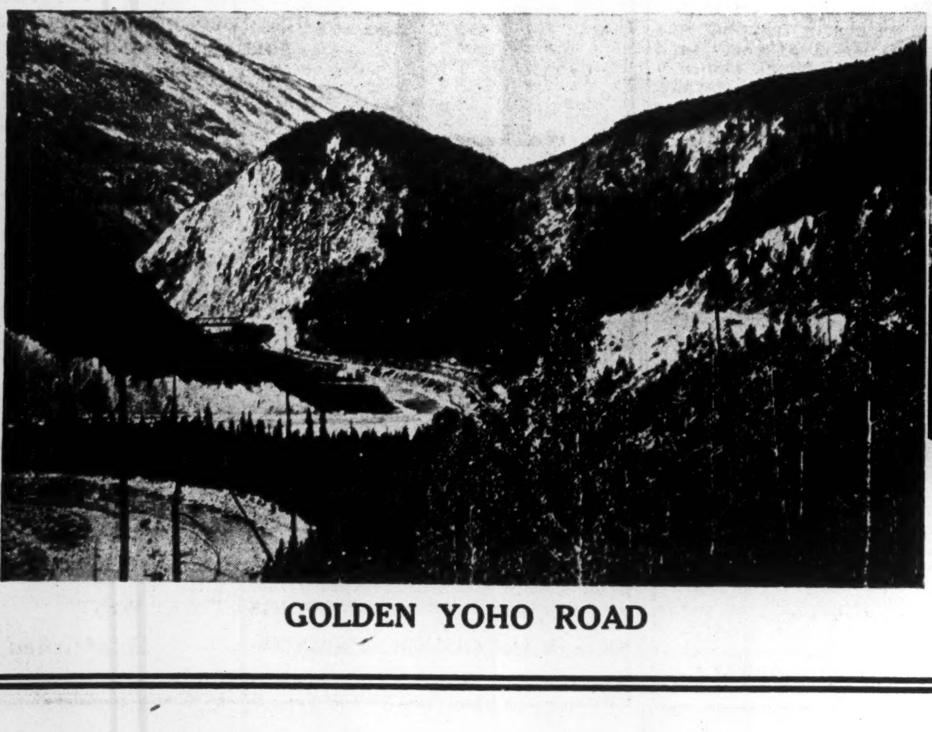
(c) Ferries (Government Owned)

Type	No.	Valuation
Gas-Propelled Boats	12	$198,480
Steam-Propelled Boats	1	92,000
Pontoons	28	51,485
Scows (Cable Ferries)	15	15,257
Rowboats	5	950
TOTALS	61	$358,172

(The Government also subsidizes 6 Large Boats under charter as Public Ferries.)

Chief among its scenic highways are—

Name	From	To	Mileage
Yale Road	New Westminster	Yale	106
Cariboo Road	Yale	Prince George	414
Fort George Hazelton Highway	Prince George	Hazelton	300
Pacific Highway	U. S. Boundary	Yale Road	9.5
Dewdney Road	Vancouver	Harrison Hot Springs	82
Island Highway (Vancouver Island)	Victoria	Campbell River	175
Canadian Highway (Vancouver Island)	Parksville	Alberni	29
Revelstoke West Road	Revelstoke	Vernon	96
Mt. Revelstoke Road	Revelstoke	Top of Mt. Revelstoke, 6,150-ft.	19
Big Bend Road	Revelstoke	North	20
Columbia Kootenay Highway	Cranbrook	Golden	178
Golden Yoho	Golden	Yoho Park	17
Banff-Windermere	Windermere	B. C. Boundary	80
Kootenay Lake Road	Nelson	Kaslo	45
Nelson—U.S. Boundary	Nelson	Metaline	42
Kamloops—Okanagan	Kamloops	Osoyoos	183
Trans Provincial Highway (Southern Route)	Osoyoos	Crows Nest Pass (B. C. Boundary)	440
Edgewood—Vernon	Arrow Lake	Okanagan Lake	83



GOLDEN YOHO ROAD

FRASER CANYON

PACIFIC HIGHWAY

Through the evergreen timber along the Pacific Highway, near New Westminster. Other scenes along the magnificent highways which make British Columbia a paradise for tourists.

Canadian Mining News

THE FINANCIAL POST

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Two Important Oil Strikes Are Reported in Alberta Oil Area

Imperial Gets Oil Sand at Ribstone and Bow Island

200 MILES APART

Former Area Recommended by Government Geologist, and Second Was Dry Gas Field

Imperial well, Rice Creek, at 5,685 ft. struck a small but decided oil showing. A barrel of high gravity oil was baled out.

Stockmen well, North Turner Valley, has 2,500,000 ft. of gas at 2,000-ft. Gas has a distinct gasoline smell. Strike is shallowest, when size of flow is considered, in the field.

Imperial Oil has encountered encouraging showings of oil in two test wells being drilled in different parts of the Alberta field.

The finds come simultaneously. The first at Burdette, on Bow Island gas area and the second on the Ribstone structure along the Alberta-Saskatchewan boundary, east of Wainwright.

Both finds are highly important.

While the Burdett well and the Ribstone well are both on subsidiary structures of the same general uplift, the great central plains anticline, they are approximately 200 miles apart. The Burdett well is about 40 miles west of Medicine Hat, while the new Ribstone well is about 30 miles south of the town of Lloydminster, on the Alberta-Saskatchewan boundary line, this point being about 140 miles east and slightly south of Edmonton.

In Dakota Formation

As nearly as geologists have been able to place the horizon of the oil showings in the Ribstone well at 1,880 to 1,887 feet, they are from sands in the Dakota formation. The Burdett well showings, apparently, are from sands in the Kootenay formation, which underlies the Dakota.

The local structure at Ribstone, according to an exhaustive report by Dr. G. S. Hume, of the Dominion Geological Survey, the discoverer of the structure, is a broad, gentle anticlinal uplift, covering many miles in area, with a dip of about only 23 feet to the mile, which affords possibilities of large oil and gas accumulation over a great area. The axis of this local fold runs from southwest to northeast, crossing the border line between Alberta and Saskatchewan.

A great deal of attention has been focussed on the Ribstone area, because of the strong report of Dr. Hume. There is considerable activity in the area but many holders of leases are waiting for results from the Imperial Oil test. The Hume report indicated that the field, like Wainwright would be a shallow one, and drilling not costly.

The showings encountered are from 1880 to 1887 feet and the showing in the core, drawn by a rotary rig, is quite strong.

No New Ore Opened by Lorrain Trout Lake

Lorrain Trout Lake has not experienced any startling development in the past three months. The last report mentioned plans to sink a winze from the 475-ft. level to an horizon on which the neighboring Keeley Silver Mines had developed ore on the Woods' vein. Through the kindly offer of the latter company this plan was changed and arrangements made whereby the Keeley continued their eighth level drift south into this company's ground. Although results of the work on this level were unproductive, it is hoped that a similar arrangement may later be made for exploration at lower levels. No developments of new ore can be recorded for the period. Stoping of mill-ore continued on the Woods' vein above the 175-ft. level, both north and south of the shaft and above the 240-ft. level north of the shaft.

Drifting was continued on the 500-ft. level on No. 2 vein, both north and south of the winze. Although a favorable indicator in the form of cobalt ore persisted in this drifting, no silver ore of commercial value was developed. Mill-ore heads for the period averaged 17.46 ounces per ton and production was 28,241 ounces of silver.

DUNWELL'S NEW MILL

Dunwell Mine, Portland Canal, B.C., will have its mill in operation by the end of the year.

ROYALITE CO., IMPERIAL SUBSIDIARY, DECLARES 10 PER CENT. DIVIDEND

Directors of Royalite Oil Co., a subsidiary of Imperial Oil, with headquarters in Calgary, and operating in Turner Valley field, have declared a dividend of 25 cents per share, which is equivalent to $2.50 per share on the old stock, which this year was split 10 new for one old. Dividend is payable Nov. 25 to shareholders of record Nov. 1.

BOW ISLAND SAND DRIPPING WITH OIL

Interesting Strike by Imperial Oil in Test Well in Dry Gas Field

Imperial Oil has encountered an oil sand at 3,000 ft. depth at Bow Island. Reports are that it has the earmarks of being a big oil producer.

Bow Island field has been a big dry gas producer. Gas has been piped from there to Calgary. The field is similar to that of Medicine Hat, 40 miles away, and the Imperial discovery will awaken a new interest in the large dry gas area. Recently a hole was put down about 4,000-ft. inside the City of Medicine Hat but results were negligible. A second hole is being drilled.

The Bow Island hole was being drilled by a rotary rig. A 10-ft. core, drawn by this rig showed the sand dripping with oil.

Oil men who viewed the core say it is the best-looking thing in the way of an oil prospect that has yet been struck by a rotary drill in Alberta.

The Imperial Burdett well is an oil test well in the Bow Island gas field being drilled under a joint arrangement among the Imperial Oil Limited, the Canadian Western Natural Gas, Light, Heat & Power Co., and the Gas Productions & Transportation, Ltd., a subsidiary of the parent gas company.

The well is located about five miles northwest of the small town of Burdett, about forty miles west of Medicine Hat, on the south bank of the South Saskatchewan River.

One geological formation here is a big dome and the wells of the old Bow Island gas field are located all around the deep test oil well, which struck the oil sand, but the gas wells average in depth from 1,950 to 2,250-ft. The new oil test well, therefore, is 800 or 900-ft. deeper than the oil gas wells and, therefore, is an entirely different sand.

T. Draper, Imperial's Western manager says the well is showing oil at three different levels. Oil appears to be medium gravity crude, and apparently is contained in a sand in the Kootenay formation underlying the Dakota. The mill is to be drilled further for a production test. The great importance of the strike is that it reveals the oil possibilities that may be developed by deeper drilling on the old dry gas domes which have largely been regarded as gas structures only.

These gas domes are common over the entire belt known to geologists as the great central plains or great Alberta anticline, which covers the eastern portion of the province extending from the international boundary to a point a little north and east of Edmonton. The Rogers-Imperial dome, east of Coutts, the Foremost gas structure, the Bow Island field, the Medicine Hat structure, and many others, including the Wainwright-Fabyan-Irma oil field, the Viking gas field, which supplies Edmonton, and lastly the Ribstone-Blackfoot anticline, are all subsidiary structures on this main general uplift, known as the central plains anticline.

To Make Pig Iron from B.C. Black Sands, He Says

That the black sand of islands along B.C. coast can be made to yield pig iron of high grade quality, was the assertion recently made by L. L. Simpson, engineer to New Westminster Board of Trade. An experimental plant at Sedro-Woolley operated for about a year will be moved to Port Moody, B.C. He says the black sands are made into briquettes and certain qualities in the sand result in a higher grade of pig iron than that made from ore.

After 40 Years Great Ore Reserves of Sudbury Nickel Copper Area Not Fully Known

The history of the development of the nickel-copper area of Sudbury is an outstanding example of the length of time required to properly develop a mining area. It carries a lesson to those who buy mining stocks to-day and to-morrow look for dividends. The story of this section of the country is perhaps a little more prolonged than that of the precious metal camps. It was the first pioneer mining effort and also required great study to find a process of treatment and large funds to provide plant before ore could be turned into money. Yet even to-day, with millions of production to its credit a great deal about the ore reserves of the area is not known.

Dr. C. V. Corless, managing director of Mond Nickel, speaking recently on the initial discovery of copper ore at Sudbury at the tine the C.P.R. was being cut through, stated: Fully twenty years elapsed before it was realized that this mining area was of really serious importance, and even now, after more than forty years, its great ore reserves are not fully known.

Rouyn Gets Power and Railway Simultaneously

Official opening of the Rouyn Railway will likely take place some time this month, perhaps when Sir Henry Thornton is on his way back east from his western inspection trip, which he is now on. In the meantime freight is already going into the camp over the line and the heavy shipments of steel for the Noranda smelter super-structure are expected any day.

It is announced that the power lines which will carry power from Des Quinze to the Noranda Smelter as well as to other mines, has reached the Rouyn camp and it will only be a short time now before these two modern mining necessities, power and transportation, will be available for the whole camp.

Quebec camp is fortunate. Camps of much merit, Gowganda, for instance, have been held up for years because of lack of these two necessities, whereas Rouyn, Quebec, only three years old as a mining camp, welcomes both at about the same time.

HIGH VOLTAGE CABLE HAS DIAMOND DRILL HOLE CONDUIT

Rather an interesting and different method of building an electrical conduit is employed at Sullivan mine of C. M. & S., at Kimberley. High voltage wires are carried from surface underground via a diamond drill hole. Cranbrook, B.C., Herald, says of a recent trip to the mine: "Of interest was the large underground sub-station into which the high voltage line comes in, in about a two-inch cable through a diamond drill hole from the surface about 960 feet above."

CANADA LEADING REST OF EMPIRE IN SILVER PRODUCTION

Present Rate of Output is Likely to be Maintained Some Time

By A. W. G. WILSON, Ph.D.,
Mines Branch, Ottawa.

Canada has held the premier place within the Empire as the greatest producer of silver for the past two decades. During the last few years Canada has been the third largest producing country in the world, being outranked only by Mexico and the United States. Last year (1925) third place was captured by Peru, whose production exceeded that of Canada by slightly over one and a half million ounces.

The principal producing areas in Canada are, in order of their importance, Ontario, British Columbia, and Yukon. Silver ores have also been found in other parts of the Dominion, but the total production from these areas has been small. The total recorded production to the end of 1925 is 493 million fine ounces, last year's output being slightly in excess of 20 million ounces. The market price of silver fluctuates from day to day; the highest yearly averages were recorded on the London market in 1853 and 1854 at $1.348, and in 1920 at $1.346. The lowest price was in 1915 at $0.519. The total market value placed on Canada's production during the years for which records are available (1887 to 1925), based on average market values from year to year was $318,826,880. In 1925 the production was valued at $13,815,742.

The mines of Cobalt, South Lorrain and Gowganda, all in the province of Ontario, are at present Canada's principal silver producers. Ontario's mines have contributed slightly over 363.3 million ounces to the accumulated total of Canada's silver production, of which only 1.8 million ounces were produced prior to 1903, the year of the discovery of the Cobalt area. The average production in Ontario for each of the past four years was 10.7 million ounces. Dividends paid out to the end of 1925 by silver companies operating in Northern Ontario amounted to approximately $92,000,000.

Silver production in British Columbia and in Yukon is obtained from lead-zinc ores. The present rate of production in British Columbia is about 8,500,000 ounces per annum; Yukon production last year was about 905,000 ounces. There appears to be every reason to believe that the present rate of production of silver in Canada will be maintained for some years to come. The decline in production in Cobalt has been more than compensated by new discoveries and increased production from South Lorrain and Gowganda, and there has also been an increase in the production from British Columbia.

Canada's production of cobalt totalled 1,116,492 pounds valued at $2,328,-517 during 1925 as against 948,704 pounds valued at $1,682,395 in 1924 according to the Dominion Bureau of Statistics.

Tough Oakes May Have New Vein System Coming

Tough Oakes Burnside Mine at Kirkland Lake, has opened up some interesting new ore, west of the dyke. It may be a part of a new vein system, but this is not as yet known, though suspected. The directors had a meeting recently, and Manager A. Stuart was present to discuss the situation. Pres. F. H. Phippen said afterwards that while the position of the mine had considerably improved, work had not gone far enough to allow for a definite statement as to the significance of the recent success. He added that nothing new has developed to the east of the dyke, which is the area which is being watched particularly.

SOME HIGH PRICES RECORDED DURING WEEK IN MINING

Pioneer and Barry Hollinger Both Sell Up to Par

The mining market has been quite strong during the week. There were a number of flurries in unexpected places and some stocks were carried to levels, considered by many as being high. However, the more conservative stocks have been holding a good deal of attention and on the whole the list gave a good account of itself.

Two stocks to make the greatest gains were Pioneer, the new Huronian Belt Co. issue, and Barry Hollinger. The former has been selling around 80 for some time and in the past week moved up sharply to 10 points above par. It is predicted that the company will soon have the mine ready for production, and in the meantime it is reported to have taken up additional holdings. The bulk of the stock is closely held, not a great deal being in the hands of the public.

Barry Hollinger has been the subject of some good reports, and there has been considerable boosting going on for the issue. Some are predicting, now that the stock has sold up to par, that the next move will take it to $1.25. The mine is reported to be in much better shape than heretofore, and should be able to carry itself well with the increased mill tonnage, providing it can keep a good grade of ore going to the mill. Since selling up to par, the stock has receded somewhat. Undoubtedly shorts had something to do with this.

Kirkland Lake Liquidation

Kirkland Lake Gold broke down to just above 70. It is stated that there has been heavy liquidation in the stock and that this is now over. In the past three weeks there has been over 750,000 shares sold, the price breaking from 1.04 to the present level. Three weeks ago transactions totaled 362,700, two weeks ago, 127,-350, and last week 389,600. Under such a volume of sales, it can be easily seen that strong obsorption powers were necessary to prevent even a much lower break. It is believed that Anglo-French Exploration of London has been responsible for a good deal of the selling and it is understood that those associated with the new control of Beaver have taken over the preferred and balance of the common holdings of the London group.

Argonaut continues to show considerable strength. Dome is off again and at the time of writing is being offered at 9.50 with no takers. Hollinger, Lake Shore and McIntyre are holding well as is also Wright Hargreaves. Noranda is back above $19 again. Teck Hughes has given ground slightly and the same with Tough Oakes after its recent rise. The silver shares are holding strong and there has been considerable buying. It is likely that any slight improvement in the silver quotations will be reflected in the good silvers quickly as stocks are said to be scarce around present prices.

Diamond Drill Cryderman Mining Corporation's Plan

Extensive diamond drilling will be carried on this winter at the Cryderman property, owned by the Mining Corporation of Canada in the Lake Winnipeg mineral field, according to W. H. Emens, engineer in charge of the work, who has arrived in Winnipeg. In the meantime all operations at the property have been stopped. It is understood that the diamond drills will be taken in after freeze-up, when transportation conditions make it easier to get such heavy equipment into the field.

DRAPER DOBIE & Co

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Coniaurum May Have More Productive Acres Than McIntyre-Hollinger

PREDICTS NORTH WILL SUPPLY BAGFULL OF MILLIONAIRES

"It is the belief of this writer that the next 25 years will see more metal millionaires come out of the north country than ever were enumerated in the history of California, Montana, Idaho, Nevada and Colorado combined."

The above assertion was recently made by Courtney Ryley Cooper in an article on the mining Country of Northern Ontario and Quebec, which appeared in Saturday Evening Post.

It shows a high degree of optimism, how high it is difficult to guess, as to do so one would require a knowledge of the success of the named States at millionaire making. Northern Ontario has done fairly well so far along this line and Quebec is shaping up well.

MINES SUPPLY HALF U.S. RAIL TONNAGE

Coal Makes Up Bulk of Freight Which Mining Operations Provide

More than one-half of the total freight originated by the Class One railroads of the United States during the second quarter of 1926 was contributed by mines. Products of mines to the extent of 181,962,780 tons were shipped during the quarter ended June 30, 1926. This is an increase of 8.2 per cent. over the tonnage furnished by mines in the corresponding quarter of 1925, says Mining Journal Press, New York. The separate items making up the total tonnage furnished by mines during the second quarter of 1926, are as follows:

	Tons
Anthracite coal	22,574,108
Bituminous coal	79,987,369
Coke	5,101,595
Iron ore	21,098,389
Other ores	3,224,381
Bullion and matte	219,257
Clay, gravel, etc.	43,935,653
Crude petroleum	2,617,991
Asphalt	827,373
Salt	763,261
Other products of mines	1,613,403
Total	181,962,780

Two Important Finds on Vickers Claims

Chas. Spearman, Bs. C., of Vickers Porcupine, which has large Quebec holdings, reports two new discoveries on the company's No. 1 group on Boischatel-Rouyn boundary in Quebec. Assays from one of these ore bodies shows an average of $14.73 over a width of 10½ ft. The second find shows a width of 5 ft. and the break has been traced for 700 ft. The new finds were made a short distance south of an ore body 14 ft. wide, which was uncovered some time ago.

Vickers owns another large group at west end of Boischatel, known as No. 2, on which geological conditions are reported to be favorable.

New T. & N.O. Station at Bennett Gold Discovery

A new station has been established on the T. & N. O. Railway. Bennett, 2½ miles north of Sesekinika, where B1 Mining Co. has made some spectacular discoveries of gold ore. A siding has been put in by the company and a steam mining plant, capable of going down 100 feet, is being taken in. There is much interest in the area and it is reported that Dome is negotiating for a group in the section.

PREMIER DIVIDEND

Premier Mine, B.C., has declared its third eight-cent dividend for the year, bringing the disbursements up to $9,403,375.

NEW BROKERAGE LETTER

A new brokerage letter on mining, called "Mining Chronicle," has been issued by the firm of President F. J. Crawford, of Standard Stock and Mining Exchange.

Recent Developments May Result in Plans for 750-ton Mill

OPENING UP WELL

Excellent Ore Being Encountered — Progress Very Different from Pioneer Neighbors

Coniaurum mining operation adjoining McIntyre and Hollinger on the strike of the veins of these properties, North-east, is rapidly approaching the stage where real results should come very quickly. This should be immediately followed by the announcement of milling plans. To date the venture looks like a mine and it is just a question of how big it is going to be. Even the present plans and operations will not reveal this anymore than it was possible to size up the McIntyre and Hollinger at such a stage.

The opening up of Coniaurum mine differs very radically from that of McIntyre and Hollinger. The experience of the two big producers is being utilized by Coniaurum and as a result operations have been carried to the 1,000-ft. level and deeper limited work having been done on only a couple of upper levels.

Coniaurum, besides having free access to the experience of the two pioneers, has another tremendous advantage that they did not have, unlimited funds. McIntyre in the early days was a hand to mouth proposition, when the providing of funds for sinking a new level was a serious matter. Hollinger also had a hard row to hoe in the earlier stages but funds came easier after the consolidation.

Consolidation of Three Groups

Coniaurum is a consolidation of three groups, Goldale, Newray and Armstrong-Booth, all taken over by Coniaurum and financed by Coniagas, the old Cobalt operator. Newray is rapidly passing out of the picture. Coniagas had an option on its holding and was developing it at the time of the consolidation. Shares are being exchanged 10 Newray for one Coniaurum. Goldale group was partly developed by Kerr Lake and a shaft dropped down 1,000-ft. when the option was dropped. Lying between these two properties was the Armstrong-Booth claims and it was desirable that they should be secured in order to bring Newray and Goldale

(Continued on page 26)

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Silver Situation Much Befogged; Authorities Differ as to Outlook

Indian Currency Proposals Are Seemingly Taken Too Seriously

CHINA AN OBSTACLE

Civil War Resulted in Stores at Ports and Reshipping to London

Silver prices show a tendency to strengthen. It is so complicated a situation that it is just as difficult to lay a finger on the reason for firmer prices as it was to trace the cause of the recent serious decline. Undoubtedly the Indian situation was an element of weakness and now that the facts are becoming better understood, it is being realized that its importance was overdone.

Much more serious for the silver situation is the condition in China and it would seem that the internal troubles in China, serious in themselves for the silver market, made it doubly so by the shipment of large stocks of silver to London. This means that the usual flow of silver shipments, Europe to Asia, was reversed, and the situation, thus created was seriously aggravated by a flood of short selling. It is believed that both London and New York have been seriously short of silver for some considerable time.

Not Yet Adopted

The much misunderstood Indian proposal of the Indian currency commission, has not as yet been adopted by the Indian Government. One great misconception about the commission's recommendations is that dealing with the stoppage in coinage of silver. The National Bank of Commerce, New York, discussing this says:

"The principal proposals of the commission, so far as they affect the silver market, contemplate the closing of the mints to further silver coinage for some time and the gradual reduction by the government of its very substantial silver reserve. Beyond these more immediate influences, it is the commission's hope that the establishment in India of a gold-based currency and the gradual growth of popular confidence in it may eventually turn the flow of Indian savings from unproductive useful channels."

It is evident that this is somewhat of a misconception. E. Hilton Young, editor, London Financial Times, chairman of the commission on Indian Currency, commenting on the situation says:

"The stoppage in the coinage of silver does not result from any recommendation of the Commission. The Government of India had 90 crores of surplus rupees when the Commission was constituted. The stoppage is the result of the vast supplies of silver rupees that had to be put into circulation during the war. To refer to the amount required "for small change" in India is misleading. The rupee is, and is to remain, the only metallic currency. For generations to come it may be expected to be required, not only as small change, but as a principal medium of exchange.

Disturb Silver Market

This quite distinctly shows that there is no desire to rush silver off the Indian market or to remove it as the principal medium of exchange. Nevertheless, if the commission was not responsible for the stoppage of silver coinage, it supported the move as the National City Bank, New York, quotes as follows from the report:

"Our recommendation implies that the coinage of silver rupees should be stopped for a long time to come, until the amount of silver rupees in circulation is reduced to the amount required for small change.

George E. Eddins, National Bank of Commerce, New York, expresses the opinion that the recommendations of the commission have been framed with a view to disturbing the world silver market as little as possible. It was realized that the putting of India on a gold basis might bring out large amounts of hoarded silver, perhaps a half billion ounces, yet despite this, authorities see India as a continued buyer of silver and at times a large buyer on the international market.

There is another factor. If gold standard is adopted, the commission has recommended that over a period of 10 years, the Indian Government should market 250,000,000 ounces of its silver reserve. Discussing this phase, National City Bank says:

"It is true as Chairman Young seems to conclude, that the Government of India will continue to coin rupees as long as the public expresses a preference for that form of currency. The Commission recommends that no legal obligation to convert paper currency into silver rupees shall attach to new issues of currency, but advises that facilities for such conversion shall be afforded as long "as the public desires to obtain silver rupees."

In continuing the discussion this institution works around gradually to the view that perhaps the Indian Government will not find it necessary to sell any silver. With the price low, the need is not so large and reserves accumulate. It may soon work out that these reserves will be reabsorbed.

London Financial News rather crystalizes the impression the writer has after reading numerous articles on the subject, when it says that the importance of the Indian Commission's recommendations as to silver have been exaggerated. It does not believe that paper can displace silver in India.

Turning to the Chinese situation, it is found that trade in that country have been seriously effected by the civil war and heavy stocks of silver have gradually accumulated at ports. In the absence of credit and paper currency, China needs large quantities of silver to meet the needs of the population, but with the trade of the country upset by internal strife, little silver has been in demand. Thus the hoardes at Chinese ports has been shipped, when possible, to London to be thrown on the market again.

Outlook Befogged

The outlook is befogged. Some look for higher silver, some lower. Mr. Eddins, National Bank of Commerce, sees a tendency for silver to go lower. He concludes:

"Substantial fluctuations up and down are to be anticipated, thinks Mr. Eddins, but in the long run the tendency of silver prices seems more likely to be downward than upward. India is apt to be less of a buyer and possibly will be a seller of silver in the international market. China will be left the great free silver mart of the Far East, buying or selling according to the dictates of its keen-minded speculators and bankers. Europe will be less of a buyer than formerly for subsidiary coinage purposes. World production now at record high levels is not likely to recede in proportion to deceased demands for monetary purposes. However, the situation need not occasion undue discouragement. Since the middle of the last century silver has had to endure the shock of demonetization in one country after another. None the less its consumption has steadily increased."

But the care for the present situation would seem to lie in increasing the uses of silver, much as the market for nickel has been built up by research and co-operation. Engineering and Mining Journal, discussing this phase of the situation says:

"Campaigns for increased use of silver have been preached. Increased use for tableware and coinage. The Silver Producers' Association in co-operation with the Silversmiths' Guild has been engaged at the work for six months. One suggestion that has been made is for a world control of silver marketing. This suggestion involves the placing of the marketing silver in the hands of a single agency—say in London—which would prevent competition, fix the price, and inferentially limit and distribute the production. There are many economic and business difficulties in the way of this plan—not the least of which is the flood of by-product silver (about half of the whole) which must be sold whether or not; also the difficulty of preventing under-selling."

Drop in Silver Means Heavy Losses in Silver Stocks

Readers of The Financial Post are concerned with the silver situation in three ways: Producers of silver who have the product to market; Manufacturers of silver products and holders of silver stocks. The former have seen their profits per ounce dwindle very materially on the decline in silver prices. Some of the second-class find themselves with stocks of high priced silver products that may have to be marketed at a loss if the softness in silver continues, but they may make this up later if cheaper silver works out in cheaper products. The third class, holders of silver stocks, have been hard hit as the following table on the stocks for the past few months shows:

Stock	Aug. 1	Low	Nov. 1
Can. Lorrain	86	50	63
Capitol	37	25	30
Castle	1.53	91	1.08
Keeley	1.69	1.39	1.54
Keora	21	12	14
La Rose	10	6	7
McK. Darragh	13	8½	9
Mining Corp.	4.15	2.60	2.82
Nipissing*	5.40	5.00	6.00
Pete Cobalt	19	20	22

*Rise due to Quebec developments.

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Hammell of Howey

— An Appreciation —

By ROGER ARNOLD.

This tribute to Hammell of Howey is not a compendium of chronological data. It contains little for either the historian or statitician. But there is much for the meditation of the mining investor who demands an insight into the motives of men, and who wants a "close-up" on character. We know little of the early life of John E. Hammell. Our investigation only goes far enough to find that he hails from Alliston, Ontario, that he spent his early days on the farm, and comes from good Irish-Scotch stock.

John E. Hammell is very much in the limelight these days as the pilot, president, protagonist, and whatnot of Howey Gold Mines, Limited.

Do you know what it is to swing million-dollar mining deals? True, Hammell dos not swing them all on his first try, but his record shows him to be a pretty consistent winner. As one investor put it: "Those who follow Hammell make money because he battles everything through and never double-crosses."

All people agree that John E. Hammell shoots straight himself and demands that the other side shall do the same. He couldn't see the spirit of Dome's attitude on the Howey option, made known his objection in plain language, and the deal was off.

It is said, also, that on two other well-known occasions—when the companies optioning the properties Hammell controlled tried to slip something over—the man who had the most to do with the destiny of Flin Flon quickly played his trump card and gave them the air.

HAS NO PRESS AGENT

Here is a find as far as the newspaper instinct goes: Jack Hammell is undoubtedly the biggest negotiator of mining deals in Canada who hasn't a press agent. On this Howey proposition of which he is nominally the Mussolini —though in reality the most approachable of men—anybody can get in touch with him. There is no attempt on his part to soft-soap public opinion by the usual inspired articles. No paid readers are used. No newspaper guff of any kind prepares the way. Figure in your mind a prospector, capitalist and general sizer-up of mines all in one cogitating on three or four offers at once—the main item with him being 'where do my shareholders get off at?' Not where do I 'get out' at—and you have John E. Hammell. Obviously, we should note right here that he is totally unaware of our penning this appreciation.

Some people can recall that in the big slump of 1907, one of the American magazines referred to "J.P." as Morgan the Magnificent. This was because he was credited with throwing his personal fortune into the market to avert a calamity. Howey unit holders have every reason right now to refer to Hammell in the same way.

To-day, Mr. Hammell is giving every particle of his time, and using his own money, and the Howey Syndicate is not being charged one cent for either. He has long been known as the prospector's friend. The Howey deal proves that he should now be known as the investor's friend, also. The first-named tribute came about when he was negotiating with a big crowd of Americans for the sale of a certain property. They hinted that if he would ease up a bit on the rights of those he represented they would personally give him a big slice of the melon. Hammell's answer was: "Oh, no! my crowd and I all go up, or all sink together!"

THE INVESTORS' FRIEND

Yes, the title of the investors' friend is the latest that John E. Hammell has earned for himself with his rugged honesty. If he had been more of a manipulator and less of a man, he would at the first sign of the last Dome break, have unloaded his entire Howey holdings. He never sold a solitary unit or share. Again, when good business pointed to the necessity of getting the Howey stock back from Dome, Hammell could have passed the buck on to the Syndicate and said: "I am only the chairman." Instead, he put up his personal cheque pending the Syndicate's coming into funds when the big new deal is consummated. Then the man whom Lorne Howey trusted enough to give arbitrary powers to, seldom if ever equalled in mining circles, the man who bears a deadly hatred against tricksters and sidesteppers, will turn over the shares to the Syndicate at the exact price they cost him.

Take Hammell out of the Howey deal —even with its manifest potentialities— and Hope might find itself among the faint-hearted.

Hammell, the human dynamo, who gives snap and punch to Howey affairs; Hammell, the watch-dog of the shareholders' rights; Hammell, the man who will not compromise with honesty— write the significance of it all on the height of land: "Pure Gold."

CONIAURUM MAY HAVE MORE PRODUCTION THAN McINTYRE-HOLLINGER

(Continued from page 25)

groups together in one operation. In the Armstrong-Booth there were difficulties. Many big groups had a finger in it and it was necessary to found a new company, the Strong-Bow. This rounded out a compact group, having 640 acres or 40 acres less than McIntyre and Hollinger. As it sizes up to-day, the outlook is that Coniaurum will not produce anything like Hollinger or McIntyre down to 1,000-ft., but there is the big possibility that because of the position of the holdings, across the N. E. Strike of the veins of the camp, it may have more productive acres than either of the other two.

Testing Coniaurum Ores

Present development on Coniaurum property is being centred on the 1250 and 1,500-ft. levels, and recently some excellent results have been secured at these horizons. It is said that these proved so satisfactory that the testing of ore for purposes of mill design have been speeded up. In the meantime work on these levels is pushing ahead and the Armstrong-Booth vein system should be opened up in the next few weeks.

It was recently stated that had any other company beside conservative Coniagas been behind the gun or had any management other than Fraser Reid and John Redington been in charge, a mill would have decorated the Coniaurum mine some time ago. The wisdom of the course that was taken is now clearly evident. The mine has been brought up to its present status without incurring a debt. Development has been planned and executed on a large scale. Though the cost of this development has been considerable, yet the soundness of the policy is bound to be revealed in lower mining costs.

There has been much guessing as to the size of the mill a start will be made with. It is said that the recent good fortune on the 1,250-ft. level, revealing as it did, spectacular values and a material tonnage, has suggested the possibility that a 750 instead of 500-ton daily will be the initial mill unit.

See Better Outlook for International Coal Co.

There has been considerable demand on the coast for International Coal shares around 18 and 20 cents, as the feeling is abroad that the present position of this company is more satisfactory than for a number of years past. International Coal paid dividends for a considerable time but during the last few years, owing to a number of circumstances, has passed the dividend. It is thought that the time may be approaching again when they will be in a position to resume the payment of dividends.

British Petroleums, with large holdings in Wainwright field, have chosen the following officers for 1926-7:

Dr. R. E. McKechnie, re-elected president; directors: Dr. R. B. Boucher, L. C. Thomas, C. S. Maharg, Duncan Carmichael, Vancouver, and N. C. Legge, R. W. Jones and T. J. Sugars, Edmonton. Dr. C. T. Galbraith is secretary and James C. Ralston, treasurer.

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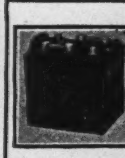

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NEW ORE OPENED BY MINING CORP. IN COBALT GROUP

Company Makes Good Progress in South Lorrain as Well

Mining Corporation continues to make progress both in Cobalt and South Lorrain. New finds are to be expected from the latter, but Pres. J. P. Watson's remarks about Cobalt leave ground for considerable optimism. New finds have been made in underground work and diamond drilling has indicated new ore in two holes. Rather important work going on in South Lorrain on the original property is the sinking of a winze 600 ft. below the 7th level between Watson's and Wood's veins, and the driving north of a long drift on No. 2 vein of Little Keeley.

Mr. Watson tells shareholders of the newest operation on the property near Lake Temiskaming and on which a shaft is down 130 feet. The geology here is identical with the rich producing sedimentary area of Cobalt.

Production is well maintained, 547,740 ounces for the quarter. Two cars of high grade were shipped, while the mill grade ran 26.15 ounces. The main facts in the report follow:

Cobalt Lake: Development of new ore kept pace with production mtaintained at the usual rate.

On main producing veins, 11 and 16, no effort was made to extend the limits of developed ore, work being confined to stoping.

Vein 14 has been extended by drifting to its junction with No. 21 vein. The total length of ore exposed in drifting on this vein is now 112 feet.

On vein 21 drifting was continued west an additional 60 feet, making a total of 115 feet of ore.

Vein 23, another branch of Vein 16, was developed further by drifting to a total of 75 feet.

Vein 28 is being stoped over a length of 100 feet.

Vein 30, a new branch of vein 28, was drifted upon for 70 feet in ore.

Another new vein showing commercial values was exposed in cross-cutting between "X" vein and No. 25 and awaits further development.

Good Drill Results

Comparatively little work was possible on levels four and five, but active exploration of the area to the west of the Cobalt Lake fault will be in progress during the coming period on level five.

Diamond drill has indicated new ore recently in two holes, one hole north of vein two on level four and in another hole in territory west of Cobalt Lake fault below level five.

Townsite City: Stoping has been carried on during the period on "C" vein, as well as on branch veins from "C" and No. 34. Exploration and development in the southern part of the Townsite property has been postponed until the coming spring as mining by open cut is also involved in this section.

South Lorrain: Exploration on Frontier and Crompton properties during the period, resulted in development of three shoots of mill-grade ore on Watson and No. 1 veins, and in further extension of a high-grade ore-shoot on Watson vein.

Running Drift North

On Little Keeley property, drifting north on vein two has been in progress on level six. This is a strong calcite vein carrying cobalt and low values in silver and hold considerable promise. A branch vein striking to the east from No. 2 and carrying heavy smaltite and niccolite ore is also being opened by drift on level six.

Preparations were completed for the sinking of a two-compartment vertical winze to a depth of 600 feet below level seven. This winze is located between the Woods' and Watson veins and will be used for the exploration of both veins at an horizon near lower diabase-keewatin contact. The winze has now reached a depth of 200 feet below level seven.

On claim H.S. 310 a vertical two-compartment shaft is being sunk to explore a group of claims owned by the corporation. These claims are located about two and one-half miles from the Frontier, in the vicinity of Lake Temiskaming. The geological structure is identical with that of the sedimentary area of Cobalt. The shaft is now down 130 feet.

Mr. Watson tells of the temporary stoppage of work on Cryderman, Central Manitoba. The facts are presented elsewhere on this page.

Cripple Creek Area Looking Attractive

Operations in the Cripple Creek district (Carscallen and Denton Townships) Porcupine, are entering an interesting phase. In Carscallen, Beanland and Hurst optioned their properties to a large mining operating concern. It was on this group that an important discovery of wire gold was made several months ago over a width of 40 feet. Assays of the whole body run very high.

Minerals Finance Syndicate, Ltd., has made a further discovery of free gold on the group adjoining Beanland and Hurst on the south. On one claim in Denton Township Minerals Finance secured channel assays of $19.68 gold across No. 2 trench on No. 2 vein.

Louis Whitman, E.M., discussing the geology of these claims, found the geology very good, similar to the best condition in Matachewan district and the township north, McNeil. Quartz vein formations are in syenite porphyry, red gneissoid granite and basalt. The red gneissoid granite near the quartz vein formations is highly mineralized as is also the basalt. The dip of the quartz veins No. 1 and No. 2 is nearly perpendicular and vein No. 2 is particularly well schisted over its full width of 18 feet. This section, lying as it does at the head of Cripple Creek basin is in an analogous position to the section around Timmins, where the Hollinger, McIntyre and other big mines have been developed around the lakes forming the headwaters of the Porcupine River.

ORE RECEIPTS AT TRAIL

The Consolidated Mining and Smelting Co. reports ore receipts at Trail Smelter from Oct. 15 to Oct. 21, 1926, inclusive, and from Jan. 1, 1926, to date, in tons:

Company's mines	7,640	332,467
Other mines	4,805	132,571
	12,445	465,038

SULLIVAN, LARGEST INDIVIDUAL SHIPPING LEAD MINE IN THE WORLD

Sullivan Mine, British Columbia, owned by Consolidated Mining and Smelting, is now the largest individual shipping lead mine in the world to-day. It also is a heavy producer of zinc, and produces gold, silver and tin.

Area embraced by the mine is 24,000 acres and the main tunnel now extends more than two miles into the mine. Output to-day is now 9 tons per man for every man—several hundred—engaged underground.

Production will soon be on a basis of 4,000 tons daily. In three years the new Kimberley concentrator has treated 3,000,000 tons of ore.

CHALLENGED CLAIM RE KIRKLAND ORES

Montreal Engineer Recalls Fact That He Questioned Theory of Mr. Tyrrell

In view of the controversy developed between Maurice Summerhayes and J. B. Tyrrell, two leading mining engineers, over Kirkland Lake Gold ore deposits and reserves, Chas. Spearman, B.Sc., Montreal engineer, calls attention to an article he wrote on Feb. 19, 1926, in which he quite emphatically took exception to Mr. Tyrrell's theory that Kirkland Lake Gold was in line to pick up the western extension of "a continuous ore body raking or pitching westward." Mr. Spearman contends that there are substantial proofs that Mr. Tyrrell's theory was nothing but theory because no dip or pitch can be indicated without first having bottomed the deposit at several places, relatively far apart and the rake or pitch taken from these various points. Mr. Tyrrell, says Mr. Spearman, bases his conclusions on a few indications on the upper margin of the deposit which were dipping westerly, but he evidently overlooked those which were dipping in an easterly direction. There are some strictly local conditions on the area which would make it appear that the pitch or rake of the orebody did exist when considered from the delineation of the upper margin or boundary of the ore deposit, but it was rather early in the history of the ore bodies of the area to make a sweeping assertion that any regional rake or pitch of the ore bodies exists.

The original article which outlines Mr. Tyrrell's theory was accompanied by a small sketch, showing the ore body from Lake Shore dipping into Teck Hughes and ultimately crossing Kirkland Gold boundary at about 1,600 ft. Mr. Spearman contends that the sketch was misleading in that it did not take into account certain sections of ore found at or near the surface of both Teck Hughes and Kirkland Gold. He added:

"In 1913-14 an ore shoot about 100 ft. long was developed at the 100-ft. level on the Teck-Hughes, not very far east of the west boundary of that property and high grade gold ore was discovered in 1914 in a feldspar porphyry dike at the surface on the (McKane) Kirkland Lake Gold Mines Ltd., about 150 ft. west of the west boundary on the Teck-Hughes Gold Mines Ltd. The strike of these ore-bodies was a few degrees north of east and the dip was about 85 degrees south.

"Subsequent development work on the Teck-Hughes Gold Mines Ltd., indicated that this orebody would dip into the Orr property at no great depth and therefore a substantial tonnage of ore could not be developed on it within the Teck-Hughes Gold Mines Ltd., boundary, consequently the Orr property was acquired by the Teck-Hughes Gold Mines Ltd., and development work was continued on this orebody into this latter property.

"In the meantime, development work was continued on the Kirkland Lake Gold Mines Ltd., and a mill was erected and operated for several years on gold ore obtained above the 1,000-ft. level.

Impression Wrong

"The sketch referred to would tend to indicate that no ore was obtained on the Teck-Hughes Gold Mines Ltd., or the Kirkland Lake Gold Mines Ltd., until the 640 ft. and 1,975 ft. levels were attained, but it is a matter of record that high grade gold ore was encountered on the 400-ft. level of the Kirkland Lake Gold Mines and also on Teck-Hughes Gold Mines Ltd. Statistics will show that Teck-Hughes Gold Mines Ltd., produced approximately $1,000,000 from ore extracted above the 640 ft. and Kirkland Lake Gold Mines Ltd., produced over $1,000,000 before the 1,975-ft. level was reached.

"There is at present no indication of a westerly pitch or rake of the ore-bodies in this section of the Kirkland Lake Gold area nor can pitch or rake be proven to exist until the lower margin or boundary of the ore deposit is reached. There are some strictly local conditions in this area which would make it appear that a pitch or rake of the orebody did exist when considered from the delineation of the upper margin or boundary of the ore deposit, but it is rather early in the history of the ore-bodies of this area to make a sweeping assertion that any regional rake or dip of the orebodies does exist, as this can be established only after the ore-bodies have been penetrated in depth and their under margins or boundaries definitely determined and compared with thier upper margins or boundaries.

"It is generally conceded that the feldspar porphyry magmas are genetically related to the gold deposition of the Kirkland Lake district. Practically all of the commercial ore-bodies of the Kirkland Lake district are found enclosed within the feldspar porphyry dikes and there is sufficient data to support the theory that the nature of these ore-bodies depends largely upon the dimensions of the feldspar porphyry dikes in which they are found, their location within the feldspar porphyry dikes, etc. Ore-bodies found relatively near the fringes or margins of the porphyry dikes are apt to be erratic in gold values, but if followed toward the interior of the dikes, are apt to become more consistent and high grade.

Trend of Porphyry

"Is it the case, then, that the porphyry in which the orebody as shown in the sketch, is terminating in its westerly extension, in the region of the Kirkland Lake Gold Mines Ltd. area, and that the outline of the high grade gold ore, instead of pitching or raking gradually toward the west as shown above, might dip very steeply and recede on further depth into the Teck-Hughes Gold Mines Ltd.?

"There are instances in the Kirkland Lake area where several of the large porphyry dikes apparently rake or pitch in an easterly direction as indicated by their lower margins or boundaries and in such cases any ore found within them must follow the rake or pitch of the porphyry dikes.

"If such an easterly rake or dip exists in connection with the porphyry dike that encloses the orebody as indicated on the above sketch, then there is a possibility that the Kirkland Lake Gold Mines Ltd., shaft might penetrate to the lower margin of this porphyry dike before the shaft is extended to any great depth below the present level.

"To summarize the conditions sets forth on the above sketch, it is obvious that there is no theory to definitely establish a pitch or rake of the orebody in a westerly direction, nor will such evidence be available until such time as the orebody has been penetrated to its lower margin at several places more or less widely separated.

"On account of the distribution of gold values in the Kirkland Lake Gold Mines Ltd., there is a probability that the Kirkland Lake Gold Mines Ltd. shaft is not very far remote from the economic western limit of the porphyry dike in which the present gold values are found, and if this theory obtains, then the values found in the Kirkland Lake Gold Mines Ltd., must terminate in a much steeper gradient than that shown on the above sketch.

"It is to be hoped that the conditions as outlined in the above sketch do exist and that within a reasonable period of time the Kirkland Lake Gold Mines Ltd., will make discoveries on their lower workings that will substantiate the theory as above illustrated, and thus develop the high grade orebody at lower levels in a westerly direction far beyond that developed on the 1,975-ft. level."

VIEWPOINT IS BIG FACTOR IN REPORT ON KIRKLAND LAKE

What Color Glasses Does Engineer See Proposition Through, is Question

The Summerhayes-Tyrrell controversy on Kirkland Lake Gold ore reserves is very interesting. It pictures two engineers in disagreement on a question of estimate, Both may be wrong. Mr. Tyrell may have gone too far in estimating that Kirkland Lake Gold has $1,600,000 in ore reserves, Mr. Summerhayes too low with his figure of $543,000. Certainly there is lots of room between, better than $1,000,000.

The whole dispute sizes up as a question of viewpoint.

Mr. Tyrell is reporting on his own "Baby." If it is a mine, it reflects great credit on him. He naturally is inclined to count ore that he feels fairly certain will be found in place when he gets around it, just as he was reasonably sure, when he started down from 1100 ft. level that he would get ore around 1600 ft. He has the enthusiasm for the enterprise of one who has already achieved a notable mining victory and can see another already in sight. He is interested in see that the picture of his success comes up to the standard of coloring. That he would prescribe.

Enter Mr. Summerhayes. He has a commission to fulfil. His principals want to know how the mine stands.

He goes at it cold-bloodedly. He is looking for tonnage of commercial ore—nothing more. There is no thrill in it, other than the professional one. His glasses are colored in one way, he must do justice to the mine, to his commission and to himself.

Both engineers are agreed that the property has possibilities. Mr. Summerhayes proves to be just as optimistic about this as Mr. Tyrrell. They split only on a question of ore reserves.

The difference in the estimate is large, but whether shareholders take the low or high figure, the only consolation in sight is that the proven ore is of such a grade as will allow a substantial profit and thus provide funds to carry on exploration in the hopes of making the mine profitable to shareholders.

One thought remains. If Mr. Tyrrell was in Mr. Summerhayes' shoes and Mr. Summerhayes in Mr. Tyrrell's shoes, how would their reports compare?

As we have pointed out, it is a question of what kind of glasses are used in deciding on the basis of estimating ore—what shall be done with high erratic assays and what shall be the dilution allowance.

Previous operations on Kirkland Lake Gold and the more recent one on Tough Oakes Burnside demonstrate that if mining is not of the most skilled, dilution up to 100% is quite possible.

A word on dilution. An ore body may be six feet wide. In breaking this down, slashing into the barren wall rock at the sides has to be guarded. As the ore body runs in and out, the greatest care in mining will not keep out all this valueless rock benig mixed with the ore. Thus ore that assays $30.00 per ton will be reduced by the weight of the valueless rock that gets mixed in with good ore. For instance, 200 lbs. of waste gets in with $30,000 a ton will run $27.00 for the 1,800 lbs. of good ore.

NOVA SCOTIA GOLD MINE IS PRODUCING

Cochrane Hill Gets 35-ton Ball Mill Under Way — Has Good Reserves

HALIFAX. — Cochrane Hill Gold Mine is in production after four years hard development work. The company is operating a 35 ton ball mill. Power is supplied from a 85 horse power crude oil engine recently imported from England.

A government test of 4¾ tons of ore run by the late J. C. Murray, M.E., returned $6.98 per ton. The concentrates will run from $2 to $3 per ton in gold; also 25 per cent. in arsenical value.

Over 150,000 tons of proven ore are found at this property while there are indication of a large tonnage in the mine. The chief source of ore is the famous Mitchell belt — eighty-five feet wide. Experts find few places that can parallel this ore body.

This development at Cochrane Hill Mine is significant in view of the possibilities in gold mining in Nova Scotia. The provincial government is giving the lead through the Department of Mines under Col. G. S. Harrington. What is apparently needed is the support of capital and the introduction of modern metallurgical methods.

Mining and milling costs here can be kept under $3 a ton—due to the free milling ore and accessibility of crude oil for power purposes from the Halifax refineries.

Foley Mill Operations Will Depend on Power

Indications are that it will be at least March, 1927, before the Bocus power will be available from Seine River development, or from Ft. Francis, for mill operations at Foley mine, Mine Centre, near Port Arthur. The grinding equipment, which includes ball and tube mills, are in place, but the cyanide plant is not yet in place and will not likely be until something is more definite about the needed power. Present work on the mine is handled by semi-diesel oil engines.

POWER OF PETROLEUM

It is estimated that one gallon of petroleum as found in the ground contains energy the equivalent of 100 lbs. of T.N.T. Only 17 per cent. of oil and gas thus found is available for use.

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Mining Inquiries

Minerals Finance

Can you tell me anything of Minerals Finance?

Minerals Finance Syndicate, Limited is a proposition handled by a broker in Toronto. He is rounding up extensive holdings in mining properties, some of which have very considerable merit. If you can afford to take a gamble it might work out at a good thing. The syndicate's interests are being well distributed.

Cambrian Gold Mines

Will you give me information on Clarke Bourlamaque which was sold to Cambrian Gold Mines.

A new company, Cambrian Gold Mines, is making fairly good progress and quite recently encountered a very attractive looking body of copper, gold, silver ore. We understand that this body has been opened out for a length of 200-ft. and that it shows a width of about 50-ft. and assays around $10 and better, of which 50c. is gold, 40c. silver and the balance copper. The company has quite a gang of men at work further prospecting this discovery, and it is opening out in quite an attractive manner.

Crescent Silver

I bought Crescent silver shares last year and was informed that the mine would be producing in a few weeks. What is the present position?

Crescent Silver Cobalt Mining property is idle. We understand that about the time you say you bought your shares the company had financial plans under way which would provide them with working capital, but they failed to materialize. The property is regarded as having considerable merit and little money would put the company in a position where they would have a chance to open up some very excellent ore. There is some legal dispute going on in regard to the property at the present moment.

Gold Hill — Hill Top

I have Hill Top, Gold Hill and Peterson Cobalt. How are they? I hear disquieting rumors and would like to know.

Gold Hill is generally conceded to be a small rich mine. How big a mine it will ultimately work out as remains to be seen. The property is developed down to the 800-ft. level. The vein has shown a tendency to widen and values have been fairly consistent. The development of the property has been in good hands and has been carried on very economically. Either this week or next you may see in The Financial Post announcement of the company's milling plans.

Hill Top Mines are a prospect adjoining Gold Hill and handled for the most part by the same interests as behind Gold Hill. A shaft has been sunk 60-ft. and the company have erected fine camps and are putting in a good mining plant. The formation of the property is identical with that of Gold Hill and as the property is located on the strike of the Gold Hill ore zone, we regard the property as having a very excellent chance and one in which the speculator should get a run for his money.

Peterson Cobalt is a reorganization of the old Peterson Lake of Cobalt. Since the reorganization the company has undertaken to explore the diabase formation in which the adjacent O'Brien got such excellent results, and so far they have met with fairly good success. The company is in good hands and is well financed.

We have not heard any disquieting rumors about either of the propositions you mention.

Castle

I have 1,000 shares in Castle. Should I sell?

Castle-Tretheway shares are down due to the drop in the price of silver. Any improvement in the price of silver stocks will depend on the future price level of their products. We believe, however, that some of the stocks have been unduly depressed, but nevertheless the weakening of the confidence of the public in the silver issues is going to make it difficult for them to recover. In regard to Castle the low price of silver may delay the paying of dividends.

Castle-Capitol

A friend wants to purchase shares in mines for a hold. How about Castle and Capitol?

Castle-Tretheway and Capitol both have speculative possibilities. The former is more sound inasmuch as the property is on a producing basis, while the latter is still very much of a prospect. Both properties are in the Gowganda camp. Just at the present moment silver stocks are not very well regarded by the general public because of the low price at which silver is selling. For this reason, many are favoring the better gold stocks.

McIntyre Hollinger

Do you consider McIntyre shares attractive at present prices and also Hollinger, both for a hold for a number of years?

The stocks which you mention, McIntyre and Hollinger Consolidated, are two of the soundest mining stocks available and because of the great expansion which is going on in both mines, earnings in the course of the next few years are bound to materially increase and this will certainly have a very material effect on the market price of these shares, and on the dividends paid to shareholders. At the present time McIntyre is on a 20% basis, paying shareholders $1 per year per share, and Hollinger is paying $1.30 per year per share.

Lack Ready Market

I hold Fiske, Anaconda Mines, United Porcupine, Consolidated West Dome, Hayes Lorrain, shares. What are they worth at present market?

It is impossible to give you the market value of most of the stocks about which you inquire, as few of them are traded in on the stock market. Fiske Gold Mines have several interesting properties in Quebec, on which some work has been done. The stock is selling around 20c. The only Anaconda company we know of is the Anaconda Copper Co., which stock is listed on the New York market.

United Porcupine Mines is not working, though I understand that the heads of the company, Boston people, are planning to do some work on it immediately if they have not already started; there is no market for the shares.

Consolidated West Dome in selling about 22 to 24c. and is a gamble that may work out well. The company is mining and milling enough ore to pay expenses, and they are endeavoring to find enough ore to make a real mine out of it.

Hayes Lorraine Mines are idle and have been for some considerable time and at the present time there is no market for the shares.

Indian

Are Indian shares worth anything or will they ever be? I bought at 60.

The outlook for Indian Mines is not a bright one. Premier made an examination of the property but did not go any further. It may be a little bit of strategy on their part, hoping that by delay they may get a better deal, as we think that there is some merit to the Indian property. It is not a mine, however. Our information is that it is in such a shape that a real aggressive mining effort, backed by sufficient funds might rescue this proposition.

Crown Reserve

I have been thinking of taking a shot at some Crown Reserve preferred when issued. What would you advise or would you speculate in common shares?

The best that can be said about Crown Reserve is that it is in good hands. Of course, there is this phase of the question, you buy preferred stocks, limited as they are as to market possibilities and dividends, because of safety, and it hardly looks as if a mining stock would be the one to go after. When you buy cheap stock you are after appreciation in value and on that basis common stocks are the ones to speculate in.

Buy Silver Stocks

What do you think of buying silvers at present prices? I understand Keeley and Castle have large reserves but that the price is down bcause of the silver situation. Would they and Canadian Lorrain be good for a hold until silver comes back?

I think there is some merit to your hunch to buy the silver stocks and hold them for better silver prices. If you buy outright you will not be worried about the ups and downs of silver and can sit comfortably waiting for silver to go to 60 or better.

In the recent slump of silver some of the stocks were carried to levels much below their intrinsic value and I think you will find that this is still true of Castle Tretheway and Canadian Lorraine. Off-hand, we would say that if you can afford to wait that it is a good time to buy silver.

Unlisted Mine Shares

I hold Stadacona, Bathurst, Ltd., Pawnee, Gold Exploration, and Fiske. Are they listed and what are the prevailing prices? How do you regard this list?

Of the five mining stocks about which you inquire, only one, Stadacona, is a listed stock, is actually traded in, and on which a price is available. It is now selling around 43. The company is capitalized at $5,000,000.

We have no facts on the Bathurst, Limited. It is evidently one of these Quebec propositions on which little or no information has been made public.

Pawnee-Kirkland is a prospect in the Kirkland Lake Camp that has been idle for years, with the exception that about a year ago a Mexican Company did a small amount of diamond drilling on it. We know of no market for the shares and think you will experience difficulty in selling them.

We are unable to find any record of the Gold Exploitation of Canada and think that it is another Quebec proposition, being put out by some of the small brokers in Montreal.

Your last proposition is Fiske Gold Mines, which stock is being traded in a small way around 13c. and 15c.

If you will look up the mining section of our issue of October 30th, you will find considerable information which may interest you.

Premier

I am inclined to buy Premier because of the good yield. I have some good bond holdings and could afford to take the risk. What do you think?

The shares of Premier Gold Mines are considered to be quite attractive. The company's dividend record is quite a spectacular one, and it is just possible that they may not be able to maintain this. The present rate of dividend was declared at a time when the company was mining wonderfully rich high grade ore. We understand that the ore is now somewhat leaner, but nevertheless, the position of the company indicates that they can go on mining very profitable ore for several years to come, and at the present price of the stock we should judge that the yield would always be such as would make the stock quite attractive.

International Nickel

Do you regard shares of International Nickel as a good investment?

International Nickel is regarded as having worked into a very sound position in so far as the marketing of this product is concerned, and this in the past has been the real weakness in connection with the company. By the development of various uses for nickel alloys the company now has a market which at the present time takes care of a production equal to the company's pre-war output, and leaves them absolutely independent of any demand for nickel for armaments. The financial structure of the company is in a very excellent position, and gradually we expect to see this stock work into a much stronger position.

MINING STOCK QUOTATIONS
WEEK ENDING NOVEMBER 2

	Par Val., $	Div. Rate	Yield	High wk.	Low wk.	Close	Sales wk.	Range, 1925		Range, 1926	
								High	Low	High	Low
Amulet	1	...	...	1.38	1.30	1.33	30325	....	....	1.67	.90
Algonquin	1	...	...	5	4¼	4¼	125900	..	..	5	1¼
Apex	1	...	...	3½	3½	3½	2000	3¾	2	6	3
Area	1	...	...	25	23	23¼	18000	..	..	40	21
Argo. Con.	1	...	...	64½	56	60½	605587	..	..	67	18½
Atlas	1	...	...	3¼	3	3	6500	5	¼	5	1⅝
Baldwin	1	...	...	5¼	4½	4¾	240600	7	1⅞	7	1
Barry Holl.	1	...	...	1.00	81		221125	50	18	1.00	22
Beaver	1	...	...	68¼	56	63	219100	57	25	94	52
Bellellen L.	1	...	...	21½	21	21	8100	..	..	23½	21
Bidgood	1	...	...	7	5	6	9500	16¼	4½	10¼	4½
Boston Creek	1	...	...	4⅝	4⅝	4⅝	1000	9½	4½	7½	2¼
Bourlamaque	1	...	...	1.26	1.20	1.26	80450	....	....	1.26	.66
Buckingham	1	...	...	4½	3½	4½	7500	5¾	2¼	4½	2
Can. Lorrain	1	...	...	68	60	63½	124400	80	22	93	45½
Capitol	1	...	...	30⅞	25	26½	29450	38	24	50	25
Castle Tre.	1	...	...	1.10	1.01	1.08	46105	1.60	.71	1.85	.91
Chaput H.	1	...	...	10½	9	9	86520	10	4	31	6
Clifton	1	...	...	1½	1½	1½	1000	26	2	6½	1½
Coniagas	5	...	...	4.35	4.15	4.15	500	5.00	1.25	4.80	3.00
Coniarum	5	...	...	3.90	3.90	3.90	450	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	3	2¾	2⅞	35000	10½	2	25	2½
Cons. Smelter	25	3+3	2.55	235½	232½	233	2378	183½	48½	254¼	177¼
C. W Dome	1	...	...	25	22½	22½	171000	25	10½	29½	14
Crown Res	1	...	...	11	9½	10½	113100	55	15	24⅛	8
Dome Mines	None	2.00	20	10.80	10.05	10.05	6300	18.00	12.90	20.00	8.00
Don Rouyn	.	...	...	36	35	35	6600	..	..	61	25
Duprat	.	...	...	24½	22¾	24	343200	..	..	26	10
Fiske	.	...	...	15½	13	13	19800	..	..	16	11
Everett	1	...	...	4½	4¼	4¼	3000	10	4	12¼	4
Goldale	1	...	...	32	30	30	38400	37	14¾	43	24
Gold Hill	1	...	...	53	46	49	128882	..	..	73½	25
Gold Reef.	1	...	...	2	1½	1¾	3000	2¼	1	5	1
Hillcrest, com.	100	6	10.90	55	55	55	100	60	60	65	55
Hillcrest, com.	100	6	10.90	55	22½	22½	10100	..	..	31¾	20
Hollinger	5	26	6.84	18.90	18.25	18.75	4661	17.50	13.30	19.95	16.65
Indian	1	...	...	5¾	4½	5	5300	17¾	3½	14	4
Int. Nickel, c.	None	2.00	...	36¾	35½	36¾	3598	..	..	46	33
Jay Copper	.	...	...	77½	76¼	77¼	15600	..	..	77½	73
Keeley	1	24	15.70	1.55	1.49	1.52	30450	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	15	13½	14	28500	..	..	22	12
Kirk. Hunt.	1	...	...	25½	22½	23½	106250	..	..	34	8½
Kirk. Lake	1	...	...	93½	70½	78	389600	92½	33	1.44	70½
Lake Shore	1	40	2.83	14.25	14.00	14.10	4550	10.00	4.51	15.10	9.60
Lakeside	1	...	...	3⅝	3	3	65600	15¾	2½	10	1⅛
Laval	1	...	...	29	24	25½	199450	..	..	44½	21
La Rose	1	...	...	7	5	5	2600	53	7½	38	5
Lorrain	1	...	...	3¼	3	3	14200	24	7	15	3
Lorrain T.L.	.	...	...	..	..	..	.....	1.34	.85	1.10	.50
Macassa	1	...	...	35	34	35	6800	..	..	43	33
McKinley	1	...	...	9	9	9	2200	42½	14½	26	8½
McIntyre	5.00	20	4.13	24.75	23.90	24.15	5791	22.70	16.00	29.75	22.70
Millcrest	1	...	...	5½	4½	5	18000	..	..	21	4½
Mining Corp.	5	5	9.06	2.94	2.75	2.76	11810	3.40	2.35	4.45	2.60
Moneta.	1	...	...	14	14	14	2000	18¼	12½	18	11
Montreal Rouyn	.	...	...	44	36	44	37800	..	..	60	13
Noranda	None	...	...	19.25	18.90	19.15	18225	....	....	19.55	14.20
Newray	1	...	...	38	37	37	2100	44	17	45	31
Night Hawk	1	...	...	5	4½	4½	3500	49½	6	17	4
Nipissing	5	12	10.17	6.24	5.15	5.90	15910	6.80	4.60	7.50	5.00
Ophir	1	...	...	1½	1½	1½	500	..	..	4¼	1½
Pete Lake	1	...	...	8½	7½	7¾	3800	11¼	2¼	10¼	1¾
P. L. Cobalt	1	...	...	25	20	24	118033	..	..	32	17
Porc. Crown	1	...	...	7	5½	7	10600	8	2	10½	4
Porc. Keora	.	...	...	..	..	..	.....	..	..	14½	3
Pioneer		...	...	1.02	78	1.00	54150	....	....	1.02	66
Premier Gold	1	32	16.41	2.02	1.90	1.95	7575	2.58	2.19	2.75	1.90
Preston	1	...	...	7½	7	7½	36250	12	6½	9⅞	4
Rouyn	.	...	...	6¾	3	5	343200	..	..	8	1⅞
Rouyn, Que.	.	...	...	3⅞	2	2¾	184400	..	..	4½	1¼
South Keora	1	...	...	12¾	12	12¾	26000	..	..	14¾	5
Stadacona	1	...	...	44⅝	43¼	44	63250	..	..	44⅝	40
Teck Hughes	1	10	2.08	4.99	4.78	4.79	60555	3.00	1.23	5.00	2.64
Timiskaming	1	...	...	..	..	..	.....	80	11½	14	6
Thomp. Krist	1	...	...	1½	1	1	4000	..	..	3½	1
Tough Oakes	1	...	...	60	47½	50¾	619100	61	20	65½	36
Towagamac		...	...	3.95	3.70	3.90	24810	....	....	4.00	3.15
Vic. Silver	1	...	...	6	5½	6	15500	31	5	9½	3½
Vickers	1	...	...	97	95	96½	33675	20½	3	97	13
Vipond	1	...	...	1.72	1.65	1.69	41910	1.04	1.01	2.02	1.49
Wakenda	1	...	...	1⅛	1⅛	1⅛	500	..	..	2¾	1
Wasapika	1	...	...	2	2	2	2000	..	..	3	1
West Tree	1	...	...	2⅝	2⅝	2⅝	1000	5	2	3½	2¼
Wettlaufer	1	...	...	4	3½	3	2100	17	3½	10	2⅛
Wigwam	1	...	...	6⅞	6	6	1500	..	..	32½	4
Wright Har.	1	10+22½	3.81	8.65	8.40	8.40	4620	7.95	4.15	9.60	7.75
West Dome	1	...	...	24	24	24	500	..	..	24	16

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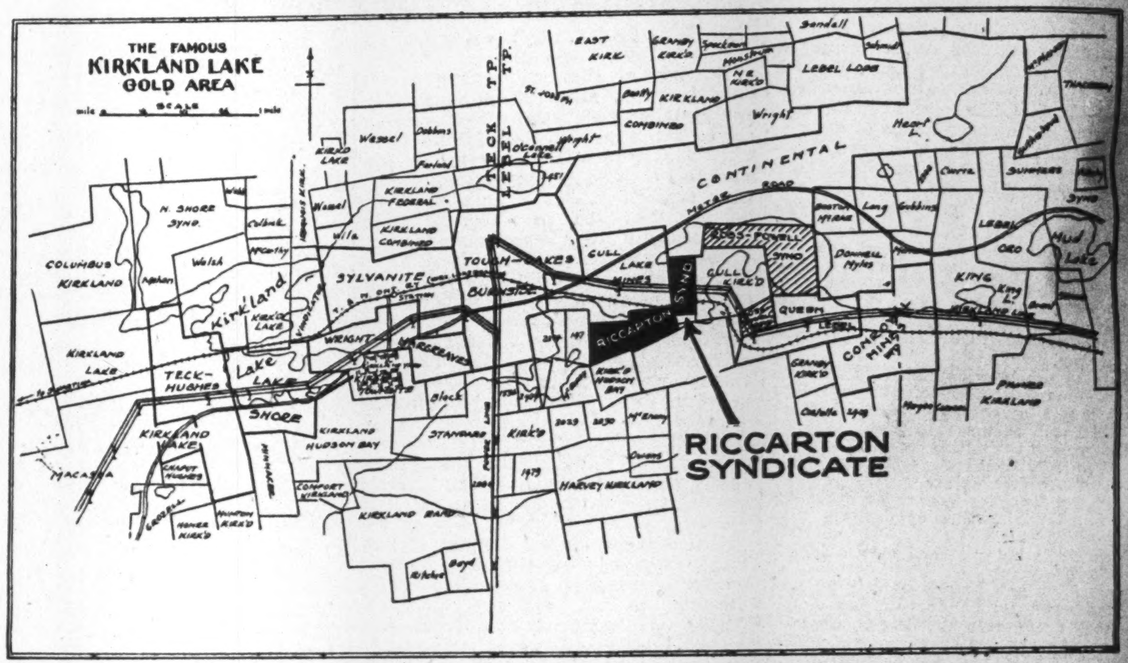
Do You Think the Main Break of Kirkland Lake Extends Through Gull Lake?



READ WHAT THESE AUTHORITIES SAY ABOUT IT

Harry Oakes, Pres. of Lake Shore Mine, says:
"I might state that there is not the slightest doubt but that some of the fractures carry on into Gull Lake. Undoubtedly, it would be an excellent place to look for a continuation of the ore zone."

M. B. R. Gordon, M.E., says:
"I am of the opinion that the main fracture of Kirkland Lake Camp extends east through your property."

Government Blue Book, Page 67, says:
"The largest masses of porphyry in Lebel Township extend from the southeast end of Gull Lake through King and Mud Lakes to the north end of Crystal Lake."

J. A. Hughes says:
"I have known Mr. M. B. R. Gordon since 1910, and he made the first report on the Teck-Hughes for the Great Northern Company, who bought it on his general review of the property, since proven correct. I have discussed Gull Lake with Mr. Gordon and we are entirely in accord as to its possibilities."

R. R. Tough says:
"Having been one of the original discoverers of gold in this area and one of the first to realize its possibilities and reap the benefits therefrom, I feel that I am in a position to speak authoritatively on the general strike of the main fracture throughout that camp. I merely state here my opinion based on my knowledge of the camp since 1911, and as one of the original stakers in the vicinity, that I believe the continuation of the main fracture of Kirkland Lake is overlaid by the waters of Gull Lake."

Frank Loring, M.E.
Extract from letter to M. B. R. Gordon, Mining Engineer:
RE MINING PROPERTY AT GULL LAKE, KIRKLAND LAKE GOLD AREA:
"I have read your report on these properties. I am also especially familiar with the Kirkland Lake gold area, having reported on all the principal mines for English interests. Judging from reported development work on the Tough-Oakes Burnside, and also owing to the fact that the exceedingly extensive surface prospecting on the Continental Mines, Limited, lying north of Gull Lake has failed to encounter this break, it seems certain that this vein system faults to the south and in all probability passes through Gull Lake on its easterly tread at or near its southern shore."

Extract from Financial Post, Oct. 22, 1926:
"Gull Lake has been a puzzle, but the best engineering opinion seems to be that the main break of the camp passes through it. Thus it is possible that at some time in the future this large area may blossom out in a sensational way as did Kirkland and Pearl Lakes. It was not until Lake Shore got under Kirkland Lake that it cut into its real ore around Miller Lake."

Oscar R. Smith, Diamond Driller, Sudbury, Ont., says:
"I think you have a wonderful chance of getting the Kirkland Lake break down the neck of Gull Lake. Those claims of yours are in the right place. I know the ground around there, as I did a lot of drilling on both sides of your property.
"A lot of mining engineers think the break goes down Gull Lake, as a small island in the lake shows the break."

DIAMOND DRILLING WILL TELL THE STORY IN SIX WEEKS

A small syndicate known as the Riccarton Syndicate, has been formed with a capitalization of $40,000 divided into 400 units of $100 each (fully paid up and non-assessable). 320 of these units are now offered for public subscription. All of the money derived from the sale of these units without any deductions of any kind whatsoever, is to go to trustees for the following purposes:

(1) To gather together a number of scattered interests in patented claims 2,976, 3,003, 2,956 and 3,168, indicated in black on the map.
(2) To buy and pay for the original options $22,000.00
(3) To supply sufficient money to put down two drill holes of 1,000 ft. each.. 7,500.00
(4) Provide funds for assaying 300.00
(5) To furnish sufficient money to incorporate a limited company with the remaining interests 2,200.00

$32,000.00
Total cash received $32,000.00

Charlie Ross of Kirkland Lake, Ontario, the original staker of these claims some ten years ago, and associates, own the remaining 11-24 interest. A meeting has been called for November 5, 1926, for the purpose of amalgamating the two groups and to form a limited company. The capitalization to be mutually agreed upon after diamond drilling campaign has been concluded and the results obtained.

If a total of 220 units is not sold before November 20th, 1926, to pay for the options in full, all of your money will be returned to you by the trustee without any deduction or commission whatsoever, and the principals in any event will pay all legal and advertising expense, cost of securing options, etc.

A further 100 units must be sold and paid for at $100 per unit to the trustee, for the purpose of diamond drilling and assaying our property, preliminary to forming the limited company, remaining units represents our profit when the above 320 units are sold to net $32,000.00.

As our options are limited as to time we are of necessity forced to ask you to make your reservations for units at once. This is not with the idea or intention of forcing a quick sale or decision on your part. In case of oversubscription we reserve the right to allot all or any portion of the issue that the trustee may deem advisable.

We propose to split cores, leaving one-half under lock and key, in the Government Assay Office, Cobalt. Representatives of mining companies will be invited to inspect assays from cores and sludge. A complete copy will be mailed to each member of the syndicate.

This advertisement will not appear again, so we would suggest that you sign and mail the enclosed order form at once.

Send all orders and make cheques payable to

PRICE: PAR $100 PER UNIT
From Which There are To Be No Commissions or Deductions of Any Kind.

Original Options May Be Seen Any Day During Business Hours at the Office of

C. H. ACKERMAN
Partner Waite-Montgomery Mine
Director Toronto Casualty Fire and Marine Insurance Co.
PETERBORO, ONT.

C. H. ACKERMAN, TRUSTEE
Peterboro, Ont.

I hereby subscribe for .... units in the Riccarton Syndicate, subject to the terms as outlined in this advertisement and with the distinct understanding that no portion of my monies are to be used for any other purpose than is outlined above.

Name ....

Address ....
Kindly print name and address plainly.

LUMBER MILLS LOOKING TO THE PRAIRIE MARKET

Early Indications of Better Buying Power in West

Even before the 1926 Prairie crop was harvested, the British Columbia lumber mills were experiencing an improvement in cash orders from the Prairie territory. This bore out the conviction that the crops of recent years had served very largely to liquidate the debt of the Western farmers, leaving many of them with a cash surplus as the result of the 1925 harvest which they were willing to spend as soon as a fair crop in 1926 was assured.

The Pacific Coast mills are, therefore, looking for better prairie business when the 1926 crop, the harvesting of which has been unduly delayed by unseasonable weather, is finally turned into cash. With a return of buying power and new confidence in the agricultural future of the prairie provinces, it is anticipated that there will be a marked improvement in the market for lumber and other timber products, the consumption of which has in recent years been much below normal. There should now be not only a resumption of building on a more normal basis, but projects and improvements which have been delayed during recent years should further augment the demand. And this should go far to offset any falling off in consumption in other parts of the country.

Price Level Down a Bit; Cotton Prices Chief Item

The Dominion Bureau of Statistics index number, weighted according to the commercial importance of the 236 commodities which are included in its computation, declined 1.4 points in October, being 151.1, as compared with 152.5 in September. Thirty-three price quotations were higher, 46 were lower, and 157 were unchanged. Three of the main groups moved upward, three moved downward, and two remained stationary.

The index for vegetables and their products showed little change, being 160.8, as compared with 160.9 in September. The majority of the grains, sugar, and rubber, moved upward; flour and milled products, potatoes and hay moved downward. On the whole, increases and declines almost balanced each other. Animals and their products rose from 141.0 to 142.1, higher levels for milk and eggs more than counterbalancing lower levels for livestock, meats and leather. Fibres, textiles and textile products, because of declines in cotton, cotton fabrics and jute, fell from 169.4 to 156.5. Wood, wood products and paper showed a slight increase, being 155.5, as compared with 155.1 last month. Iron and its products, chiefly because of advances in pig iron and steel sheets, rose from 144.3 to 145.1. Non-ferrous metals and their products, due mainly to the drastic decline in silver, fell from 101.3 to 98.1. Non-metallic minerals and their products, chemicals, and allied products were unchanged.

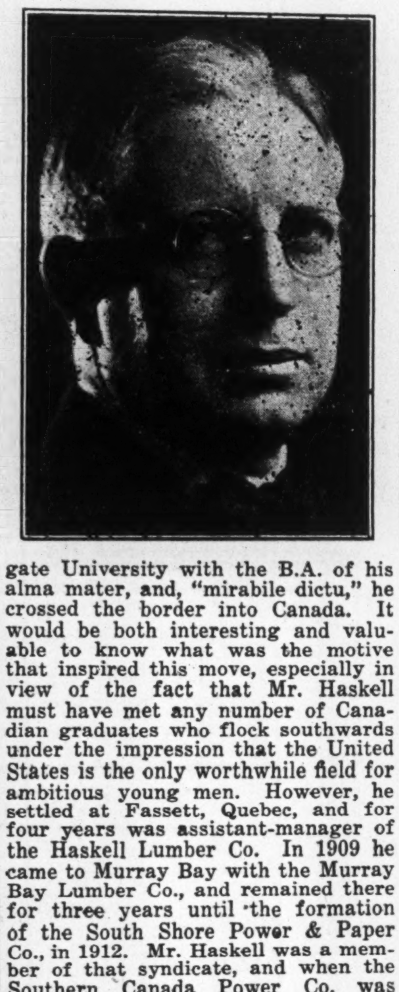
How U.S. Invests Insurance Funds

From Our Own Correspondent.

NEW YORK.—United States insurance companies have $10,050,000,000 invested as follows: Mortgages, 43 per cent.; railroad securities, 21 per cent.; loans on policies, 12 per cent., government bonds, 9 per cent.; miscellaneous securities, 8 per cent.; public utilities, 7 per cent.

FOLKS and Finance

LEWIS CLARK HASKELL, who has recently been appointed secretary of the companies commonly known as the Nesbitt-Thomson power group, is a man who has successfully commercialized a university education by the vigorous application of his baccalaureate background to business. Born in Pennsylvania, in 1883, he seems to have divided his time between the public schools of that city and his father's saw mill. In 1905, Mr. Haskell graduated from the Colgate University with the B.A. of his alma mater, and, "mirabile dictu," he crossed the border into Canada. It would be both interesting and valuable to know what was the motive that inspired this move, especially in view of the fact that Mr. Haskell must have met any number of Canadian graduates who flock southwards under the impression that the United States is the only worthwhile field for ambitious young men. However, he settled at Fassett, Quebec, and for four years was assistant-manager of the Haskell Lumber Co. In 1909 he came to Murray Bay with the Murray Bay Lumber Co., and remained there for three years until the formation of the South Shore Power & Paper Co., in 1912. Mr. Haskell was a member of that syndicate, and when the Southern Canada Power Co. was formed to take over the company, he became secretary-treasurer of the new concern. He is now purchasing agent for the company as well as secretary. He is a director of the Mortgage Finance Corporation of Montreal, and director and secretary of the following companies; East Kootenay Power; Ottawa-Montreal Power; Porcupine Power & Telephone, and Quinze Power Co. In his new position he also becomes secretary of Northern Canada Power; Northern Ontario Light & Power; Ottawa & Hull Power; Ottawa River Power, and the Canadian Northern Power Corporation.



FORM HODGSON BROTHERS

The formation is announced of the firm of Hodgson Brothers & Company, to deal in high grade government, municipal and corporation bonds in Montreal.

The new firm is headed by W. Maurice Hodgson, who until recently was a partner in the firm of Williams, Partridge & Hodgson. He has associated with him his brother, John P. Hodgson.

Bond Houses of To-day Highly Organized Business Organisms

(Continued from page 13)

work out a plan of financing for them. Sometimes the salesmen of the organization get in touch with a corporation where financing can be carried through to advantage. Most frequently, the partners get in touch with these corporations. In this connection, it is well to point out that no financing is sound from the standpoint of an investment house that is not to the advantage of the corporation, the investment house and its clients.

How Financing is Originated

Four main avenues for financing are open:

1. More capital may be needed for development or extension of the business.
2. The owners who have spent the greater part of their business lives in building up a business may wish to withdraw some of their capital and diversify their investments, thus ensuring their dependents against business risks.
3. An amalgamation of business may be made which, through the reduction of overhead and the increase of efficiency, will result in larger profits.
4. The owners may wish to dispose of their business.

Then there is the promotion of new enterprises generally associated with a company already successful. The promotion of an entirely new company, where their position has not been established, is not generally handled by a conservative investment banking house.

It has been said that the best salesmen usually have some peculiar kink in their mental machinery. A buyer must be sane, and yet have the imagination to picture for an old-established business a new financial set-up which is sound, from the standpoint of the investing public, the banking house, and also from the standpoint of the owners of the business. He must consider first the industry as a whole. Is it fundamentally sound and of a permanent character? And then, the particular business under review. Experience has taught that two of the most active factors in industrial grief are poor management and lack of working capital. Accordingly, in studying a possible transaction, he must not only analyze the balance sheets and earnings records of a company for a number of years, but must also satisfy himself as to the management and organization. If a common ground for a transaction is found between the borrower and the investment banking house, then it is usual for the latter to call in the services of chartered accountants, who go over the company's books for a period of years and verify the statements and earnings' records shown by the company; appraisers, who appraise the company's property, and possibly engineers to report thereon; also solicitors to guard that the new issue of securities is properly and legally made. These reports being satisfactory, the transaction is then consummated by agreement passed on by the solicitors of each party.

Sound Judgment Determining Factor

The most important attribute of the buying department is good business judgment, plus experience. They have available experts in various lines to report on the technical phases of the business under investigation. They have records and statistics, but in the last analysis the most important factor in the whole transaction is the sound business judgment of the man or men who are doing the purchasing. For instance, I have in mind one concern which we financed where the asset position was just moderately strong, where the earnings were estimated, and where the statement was not unusually attractive except for one thing—the man behind the business was a man we had been closely associated with for many years. We had always found him thoroughly straightforward in his dealings. We had found him resourceful under difficulties and we knew that he had acquired a habit of success. Consequently, we financed the business gladly, made an issue of preferred stock at par, which was convertible into common stock, because there was a greater degree of business risk involved than in some other issues, and the investor was entitled, in return for such risk, to share more fully in future profits. The business has prospered very well indeed, and the result is that the preferred stock is now selling around 125. Another case in mind, where an issue of securities was made on a splendid property, with a good record in the past, excellent future, good assets, good earning power, and still the issue was a very difficult one to sell because the group in control of this property before did not have the best business reputation. The feeling was that, in case of trouble, they were going to look out for themselves first.

It might be reasonable to interject here the observation that securities vary in safety, and quite legitimately so. The purchaser buys the amount of safety he is willing to pay for. There is such a thing as too much safety, because you have to pay too high a price for it. For instance, a bridge is built with a reasonable margin of safety over the greatest weight to be put on it, but to make that margin too great would mean too much expense in the building of the bridge. The same is true of investments. The buying department, however, always have in mind that a dollar safely invested on the part of a client of the house is worth more than ten thousand dollars which have been lost unless the clients have bought a lot of experience that is valuable to them while losing their money.

Enter Selling Department

Having bought the securities, the selling department must now work out its plan of resale and distribution.

Before commenting on this, however, it might be well to point out that, in the United States, where business is a little more specialized than here as yet, they have issuing houses, wholesale houses, houses combining wholesale and retail; retail houses; dealers and traders, and those who might be termed distributors only.

An issuing house is one that deals principally in new issues. A wholesale house is a house that purchases issues and sells them to other dealers. A wholesale and retail house is one which does both. A retail house is sometimes an issuing house, but not often; it sells securities only to its own clients. Dealers and traders are those who trade in securities largely between dealers, and distributors only are those who take parts of issues made by other houses and distribute them to a selected clientele of their own. In Canada, a number of these functions are generally combined, and, with our larger houses, are more or less all included.

The selling department's plans necessarily differ greatly depending on the size and type of the issue. A government issue, or a corporation issue, running to a very large amount, would, no doubt, be syndicated. Different plans are possible, but I might briefly describe the most comprehensive one.

Syndicates Distribute Risks

A small group, called the Purchasing Syndicate, would take the original liability of the purchase of the issue. To break their liability, they would form what is termed a banking syndicate, to which the securities would be sold, at a fractional profit to the purchasing group. This banking syndicate would probably include a number of banks and some of the larger distributing organizations, including, and, of course, for important amounts, the members of the original purchasing group. The function of the banking syndicate is spreading the liability over a larger area, and the members of it would, in many cases, be responsible for doing a certain amount of financing in connection with the transaction, should this be required. This syndicate, in turn, sells, at a fractional profit, to a new group, called the selling syndicate, which would, in a large issue, include dealers from coast to coast, whose duty it would be to finally distribute the securities with permanent investors. The members of the banking syndicate would, in most cases, have an interest in the selling syndicate, but the functions of the two being entirely separate, it is quite possible that a bank having a substantial interest in the first group would, by reason of the fact that it was not an active distributor of securities, have a very small interest in the latter syndicate, whereas, many houses carrying on business in a comparatively small way would be included in the latter group in view of their demonstrated ability to sell. Usually, the members of the selling syndicate actually take a definite liability for the amount of their participation, but, in a number of cases, in recent marketing plans, the houses are included in this group without any liability, being given the privilege of selling the securities, subject to a special commission as long as they are available. It is a trait of human nature that few people are absolutely neutral on any given thing, and it is no doubt due to this that the selling group in large issues is a comprehensive one as it ensures the active co-operation of a large group, and avoids the risk of the security meeting, in many quarters, with "the faint praise that damns."

The foregoing marketing plan would only apply to large issues and, in the ordinary day to day transaction, the original house does a major part of the distribution itself, usually selling, on special terms, to a limited group of other dealers, a portion of the issue for distribution to their special clients.

Distributing to Final Investors

The syndicate handling the issue having been arranged, the retail price set and concessions to agents and dealers agreed on, the advertising program planned, circulars to be sent out in connection with the issue arranged for, and time of mailing stipulated, the issue is offered to the public by all the houses in the syndicate at the same time. On this date, generally, the first advertisement appears, although sometimes an offering is made verbally the day before the advertisement appears. This distribution calls into play the full services of the sales organization which, in the typical house, will include branch offices at important points, a number of travelling salesmen, and the inside organization which supports them. This organization is headed by a sales manager who is usually a partner of the firm, or a senior officer of the organization. He is supported, in addition to the men in the field, by branch office managers, and his inside organization which co-operates with and supplements the work of the salesmen, through correspondence, telegram, and telephone. The first and most important factor in a successful campaign is to sell the organization itself, and, when this is accomplished, the spirit with which the men enter into the work is the next determining factor. One of our branch managers recently told me of securing an important piece of business from a large corporation with which we had been unsuccessful formerly. This was done after a long period of persevering work, and he said, "You don't know the thrill that it gives me." It is this spirit which makes a game of work which spells success and progress, not only for the individual, but for the organization.

Salesman's Alertness Wins Business

A salesman must be alert and exercise originality in his plan of approach to the prospect, if he is to be successful. To illustrate, I recall a case where my firm received a letter from a man in a nearby small town, advising that he had unexpectedly received an amount of $50,000, which he desired to invest. We asked one of our salesmen to see him. When the salesman got on the train he found men from three or four other investment companies, and sensed that they had received a similar letter. The man's address was given care of an hotel in the town in which he lived. Our salesman realized he must use his head if he were to get the business, and instead of going to the hotel to await the man's return, he called at the post office and asked them if they knew of him and where he worked. He was directed to a factory in town, where he succeeded in seeing the man and selling him investments for the entire $50,000. He then took him up to the hotel and introduced him to the other salesmen.

One important responsibility of the sales department is to see that clients buy only the securities they should have; for instance, it is obvious that a widow entirely dependent on a moderate income should not buy speculative securities, no matter how attractive they may seem. On the other hand, a business man wtih an assured income, or a man of substantial means, should have a certain proportion of his holdings in such securities because the return is substantially greater than on a more conservative security. Also, the salesmen, to fulfill their responsibilities, should see that their clients get a proper diversification of securities, not too many securities of one company, or even of one type of industry. The bond salesman should be an investment specialist and should render professional service to his client just as much as a doctor or lawyer. To do this, he must be well posted in investments, and must use the facilities of his organization to receive information and advice so that his clients may receive the best service. The high pressure salesman has no place in an investment banking house, except for a period. Selling a client something he should not purchase will, in the long run, react against the house employing such a salesman. High-class salesmanship, on the other hand, is essential if a salesman is to be a success in this business. I doubt if there is a more exacting type of salesmanship than in the selling of securities for an investment banking house, that is, provided the salesman is to give his client the service he can reasonably expect from him.

Modern Advertising Plays Part

Supporting the salesmen in their work should be the advertising department. This operates, not only through what appears in the daily press, but, in most cases, far more efficiently through special circulars or booklets setting out in an attractive manner the information which the prospective client will pause to read, and thus preparing the way for the salesman. So much printed matter goes to the public these days, that much of it is thrown away unread, but many will take the time to read a carefully prepared booklet or pamphlet on a given industry, providing it is what it purports to be, namely, a study of the industry, and not a sales circular, and such a background is often the best sort of preparation for an issue of securities of a particular company in such industry.

Both the buying and selling departments are supported by the statistical department, in which trained statisticians gather, from year to year, information which may be available regarding various fields of industry, and the companies operating therein.

Trading Department Knows Prices

The trading department has become a highly specialized department in the bond business. If you go into a bond house you will see a battery of telephones on one desk. A number of these are private telephones to different houses. This is the trader's desk. He is in touch with the quotations, both buying and selling, of all government, municipal, and corporation bonds that are passing between dealers. He handles a very large volume of business, having a small profit on the turnover. It is not uncommon for him to sell as much as half a million or a million dollars at one time, with a net profit of five cents on a hundred dollars, perhaps even less. He occupies a most important position in the bond organization for the reason that in the selling of securities the salesmen make many exchanges, and the trader is generally the man who has the quotation on which they base their exchanges and is responsible for turning over the bonds they take in exchange, either by selling them back, in the case of corporation bonds, to the house making that particular issue, or to other dealers, but his business is one of large turn-over and small profit. He must be a man with a quick thinking mind, a good memory, and, above other things, he must be absolutely straight, as a reputation for tricky dealings would make him ultimately useless to his organization.

Accounting Department Handles Details

The accounting department has a multitude of detail to deal with and requires, not only expert accounting ability, but constant watching of a hundred small details to ensure smooth operation. This department, through the delivery department under its control, pays the borrower for his securities and redistributes them to the various purchasers through different channels; each individual bond or share certificate must be carefully recorded; statements issued; payments received, and receipts obtained for the securities when they are delivered. Lack of efficiency in this department is a serious detriment to the business, because a sale is not completed until the final delivery of the security is made, and, unless this is carried out carefully, in accordance with the client's wishes, the client is more difficult to sell on the salesman's next visit.

This outlines briefly the activities of a modern investment banking house, but I would like to stress one point in conclusion, namely, that no matter how carefully a business may be organized, its ultimate success rests on its personnel. There are many competitors who are always seeking to wrest business away, and the greatest asset an organization can possess is to have its members imbued with the fact that a transaction, to be a good one, has to be sound from the standpoint of the client, as well as the house. It is interesting to note, in this connection, how an organization takes on the character of its chief executive. The best foundation upon which an organization can build is the reputation for straightforward dealing, and consideration of its clients' interests.

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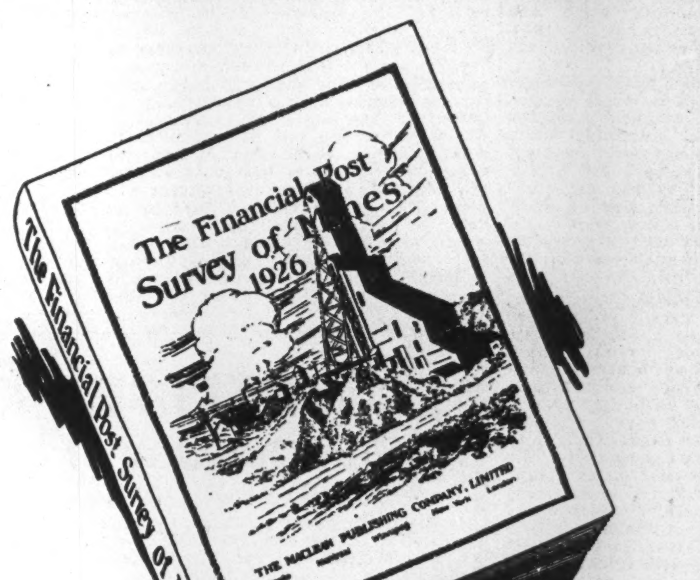
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Despite Advance of Modern Machinery Human Skill Greatest Factor in Industry

Human Side of Industry Involves Study of Relations Between Factory and Workers, Industry and Consumer, and Industry and Its Competitors

GREAT BUSINESS FIRMS EXCHANGE IDEAS

By **THOMAS BRADSHAW**,
Vice-President and General Manager, Massey-Harris Company.

Out of a Great Factory, This Human Document

Here is indeed a remarkably fine document written by one of the ablest of Canadian industrial leaders. Thomas Bradshaw, vice-president and general manager of the Massey-Harris Company, is recognized as a man of broad views in modern industrial relationships; industry and employee, industry and the public, industry and its competitors. He was recently invited to address the National Association of Farm Equipment Manufacturers at their convention in Chicago, and for the occasion prepared an address so able and illuminating that it will be read by other industrial executives with the keenest interest.

It is here published in full.

Mr. Bradshaw.

ABOUT two centuries ago, when the industrial revolution was beginning to sweep over England, the question uppermost in the minds of all serious-thinking men was, what effect would the introduction of machinery have upon manual labor in that country. New inventions were received by the worker with suspicion and hatred; mobs went through the manufacturing districts destroying machines, burning factories, and persecuting the inventors. Although the hand-workers fought to maintain the old habits and methods of manufacture, they gradually lost out in the fight. And why? Because they were forced to see the truth of the economic principle formulated by Adam Smith, which is as sound to-day as it was then, namely, that the state should leave all industry a free hand. The people of England, and later on other countries, slowly but surely learned this truth and the factory system grew into existence.

At that time there must have been many who dreamed of what machinery was likely to do but one wonders if any had foresight enough to visualize the great significance of that movement. If they came back to-day, in this — what some have called— mechanical age, I am sure that they would be astonished at the strides which have been made, especially the varying uses to which machinery is now being put.

Man, the Controlling Factor

In thinking this over, the question which arose in my mind was this: Do we, to-day, tend to put too much importance upon machinery and not enough upon man? After all a machine is only a mechanical device for producing a certain article or part. By itself it is inactive; it is man who puts action into it, who controls and guides it. Might it not be said that the production of a machine varies only as the efficiency of the operator, and that the best equipped and most completely organized industry is only as strong as the men who form its organization?

In these days of diversified ownership in corporations, of widespread organization of labor, and of large scale co-operative buying and selling, there is a real danger that the individual will be overlooked and that the human relationships that govern the association of individuals may be lost.

To-day therefore, I propose to consider three phases of this subject, namely: The human side in the relationship between, first, industry (in the sense of ownership and management) and employee; secondly, industry and consumer; and, thirdly, different producing units in an industry.

Industry and Employee

PROBABLY the most essential features to be emphasized in considering the relationship between industry and employee are, in the first place, the need for a spirit of mutual understanding and for the cultivation of a state of mind, both on the part of the employer and employee, which seeks for a fair and reasonable solution of the many questions which inevitably arise, and secondly, consideration by the employer, of the various problems which enter into the life of his worker.

Many years ago, when businesses were smaller and organizations more simple, the principals knew practically all the men in their concerns intimately. There was a first-hand "man-to-man" contact which the highly developed and organized industry of to-day has unfortunately lost. The reproduction of those early conditions is, of course, impossible, but much can still be done to create an atmosphere of confidence, good-will and fellowship.

Works or Industrial Council

A development of recent years which has greatly improved the relationship between management and factory worker is the works or industrial council. The plan has been adopted by a number of industries with varying success. The ones which have been commenced in an unpretentious way, which gradually developed procedure and policy from time to time, have usually been successful. Failure, as in many other organizations which are designed for mutual benefit, has not infrequently been due to an endeavor, at the beginning, to accomplish too much; to the setting-up of an over-elaborate organization; to failure to hold regular meetings; to lack of tact and judgment in the presiding officer; and to a failure to maintain the members' interest in the organization.

In the company with which I am associated, we have such a council. It meets regularly once a month for the purpose of considering questions relating to wages, working conditions, works practice, safety, prevention of accidents, sanitation and health, and other similar matters of mutual interest. Employees and management have equal representation on the council. The latter names the chairman and the secretary is appointed by the works manager. Neither has a vote. It has been found that these monthly meetings have proved a real bond of union between employee and management, resulting in not only better factory methods and the receiving of many helpful suggestions, but in an improved esprit de corps among the workers.

Important Problems of Life

In coming to a consideration of the problems affecting the daily lives of our employees, the most important of these are probably: (1) continuity of employment; (2) adequate scale of living; (3) a measure of rest and recreation; (4) opportunity to save; (5) provision for old age.

Before proceeding to discuss these topics, there is one feature which I would like to emphasize, and that is—industry in assisting its workers in the attainment of these or any other similar objects must not adopt the attitude that it is doing the men a favor, that it is giving something for nothing. On the other hand, it should look at it from the standpoint that, by relieving the men of many of their worries, it is enabling them to devote their whole attention to their duties and, as a consequence, more and better production will result. By workers I do not necessarily mean factory employees only, but all those who are permanent employees and are devoting their whole time and interests to the business.

Continuity of Employment

In regard to the first division, namely, continuity of employment, much has already been done to overcome the spectre of unemployment (and to a man with a family dependent upon him, it is a spectre) but still more remains to be accomplished. A succession of periods of activity and depression is the normal experience of almost every industry. The fact governing this succession—the fundamental causes of unemployment—have not, as yet, been thoroughly investigated. Study is being given to this subject, especially in Europe, and to some extent on this continent, though happily, at the present time the problem of unemployment is not pressing for solution.

It is not generally believed that industry is responsible for unemployment. Nevertheless it should systematically study market needs and capacities with the object of eliminating seasonal variations, endeavoring to keep production constant in spite of seasonal demands, and helping to guide the machine of commerce and industry. For example, the implement industry, if operated for the home market alone, would call for production at seasonal periods. Its output is, to a large extent, dependent upon the country's crop and weather conditions. This handicap could probably be overcome, in measure, if broader markets were developed.

Would not also more regular employment result (as well as economy in production) if we applied ourselves to the standardization of sizes and types of machines, the effect of which would be longer runs in the factory with less disturbance due to frequent changes in the manufacturing programs? Take, for example, plows. Why is it necessary for one implement concern to manufacture for its domestic trade over sixty different types of plows, or why, as one leading manufacturer suggested, a few days ago, is a right hand binder necessary in some territories and a left hand in others? And why should a left hand mower be required in addition to a right hand mower?

Adequate Scale of Living

Now let us consider for a few moments the second problem which has to be faced by employees of all classes, namely, provision for adequate living. To make this possible it is necessary to develop more efficient machinery and processes so that the output per man can be increased, thus maintaining or improving the scale of remuneration without advancing cost to consumer. In older countries we find that in many industries employers as well as employees are afraid to increase the output per man. The former believes that by so doing he will be forced to increase his wages and in the existing industrial state he knows that that would be suicidal. The employee thinks that if he produced more per hour or day there would not be enough work to last and unemployment would result.

Experience in modern industry has proved the fallacy of these views. We are learning the economy of good wages and also know the business maxim—that it is generally more profitable to strive for a large output at low prices. On this continent everyone is a buyer. Why? Because having adopted efficient methods of manufacture without in any way limiting output, we have reduced operating costs which in turn has reduced the price to the consumer, thus opening larger markets, increasing demands, and resulting in greater turnover. The effect of the combination of these is adequate wages.

Machinery Increases Production

In a recent analysis it was found that the volume of production in 1923 in the United States was 33 per cent. greater per wage earner than it had been in 1914, and required 25 per cent. less labor, 13 per cent. less power, 17 per cent. less management personnel per unit of production, and 7 per cent. less actual working time per man. While comparative figures are not immediately available for Canada, the belief is that they are fairly parallel to those quoted. the greater industrial productivity results from more general use of efficient, labor-saving machinery, increased managerial competency, together with the intelligent co-operation of the worker. An interesting illustration of the way in which labor has benefited through the operation of the foregoing is the fact that between 1913 and 1924 wages in the United States increased 128 per cent. while prices only advanced 50 per cent.

Rest and Recreation

To maintain their efficiency it is essential that workers have a measure of rest and recreation. This is generally accorded to the regular salaried employees, but what about those earning wages? In the old days, or as someone has said, "the bad old days," the factory man had to work twelve hours and often more a day as well as Saturday afternoons. By a gradual process of reduction, however, the week's work is now generally limited to 48 or 50 hours with Saturday afternoons off. If it has been found that the granting of a shorter working week has not materially affected production but has increased the efficiency of the worker by improving his health, I wonder if it does not follow that a regular annual vacation with pay to manual workers would not also be beneficial to both company and worker? This practice is still the rare exception. As the strain of modern industrial life increases it has been argued and quite truly, that there must be an opportunity for complete rest and change if there is not to be a progressive deterioration of vitality and personality.

Company Granted Men Vacations

An experiment in granting vacations was instituted this year for the first time in the Massey-Harris Company. Each factory employee who had been continuously in its service for ten years or more was given one week's holiday with pay. The number who benefited was 576 or about 18 per cent. of the total employees. Many of them were able, for the first time, to spend a continuous period of rest and recreation with their family without suffering financially.

It is, of course, too early to predict the outcome but it is known that these old and faithful employees were highly appreciative of the action and it will be surprising if eventually it does not make for a more permanent body of workers animated by good-will.

Opportunity to Save

Another important way in which the management can assist its workers is by helping to develop the spirit of saving. It is a great relief to the worker to feel that if sickness, death, distress, etc., should be experienced he has a fund which will help him bridge over the critical period. Wage earners are, on the whole, a saving class, but often valuable assistance can be given by the management in helping the men to invest their money wisely. Now especially, when relatively high wages are being earned, there should be a surplus which, if looked after carefully, might be a boon in less happy days.

In the experience of the Philadelphia Savings Fund Society (established 1816) an institution which is mainly utilized by wage earners, it was found that for the past twenty years 80 to 85 per cent. of the new accounts were those of wage earners, their wives and the small salaries groups.

In Philadelphia also, shares in building and loan associations increased 266 per cent. during the past decade; deposits in state banks, 457 per cent.; and in trust companies, 367 per cent. This growth has made the building and loan associations the largest single savings institution in the city.

Savings Deposits Are Growing

The savings deposits in all Canadian banks, trust and loan companies, which represent, in the main, the accumulations of the wage and salaried class, have increased in the past decade from $768,103,000 to $1,326,701 or 73 per cent.

In a recent investigation it was found that wage earners in the United States own $700,000,000 worth of stocks in the industries employing them. This figure is derived mainly from companies having a specific plan for selling stock to employees. If the hundreds of employees who have purchased stock independently were included, the figure would be much greater. There are over 300 corporations which have sold or are selling stock to their employees, usually based on the instalment method of purchase. It has been very properly stated that "it would be unwise for a company to offer to its employees stock that is subject to sharp fluctuations and questionable earnings. Instead of enlisting the employees' support in the industry, such a practice would lead to a lack of faith. Indeed some companies, realizing that their business is subject to frequent decided fluctuations, have refused to sell stock to their employees."

All the foregoing suggests that a large percentage of employees is naturally thrifty, but would not the saving spirit —which all admit makes for better citizenship and better workers—be further developed if the management of each industry sympathetically interested itself in the working out of some sound economical scheme which would best fit into the circumstances and lives of its employees?

Pensions and Insurance

We now come to the last of the suggested ways in which we can materially assist in looking after our employees, and that is by making provision for them in their old age and for their dependents in the event of death. The fear of old age is always present, and unless the worker knows that he is going to be provided for to a certain extent, it is likely to affect his daily duties. Rather than become dependent upon others a man will remain at his post as long as he has strength to do the work. This, of course, is very often poor policy, and, by establishing a pension fund, it is done away with. It not only promises a measure of security from want in old age, but it is an incentive for the men to remain with the company and thus reduce the turnover of labor, and moreover, it is a recognition and reward of long service.

Of course, each company can make its own rules in regard to its pension fund. In our Canadian company, factory employees are granted a pension upon attaining the age of 65 and after 20 years of continuous service. The members do not contribute; the company bears the whole cost. The yearly pension is determined on the basis of one and a half per cent. of the average annual wage for the last ten years for every year of service. In some cases pension funds in individual plants have been so unsoundly established that they have had to be abandoned or the pensions materially reduced. No pension fund should be established until an actuarial investigation has been made to determine the immediate and prospective liability involved.

Helping Employee With Insurance

The employer can also assist by helping the worker to provide insurance either through a group or salary savings insurance plan, the risk where the number involved is sufficiently large to form a safe average, being, in some

(Continued on page 31)

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Company (Including Subsidiaries)	Capitalization: Funded Debt	Capital Stock: Preferred	Capital Stock: Common (Shares)	Capacity of Mills (Tons per Day): Newsprint	Other Paper	Pulp	Profits: Gross	Net	Earned on Capitalization: Times Bond Interest Earned	Times Pfd. Div'd Earned	Earned on Com. Stock ($)	Assets: Net Current	Fixed	Net Tangible	Ratio of Net Current Assets to Funded Debt	Ratio of Fixed Assets to Funded Debt	Net Profits per Ton	Pulpwood Areas (Sq. Miles)	Estimated Pulpwood Resources (Cords)
															%	%			
Abitibi	$9,633,600	$1,000,000	250,000	525	30	650	4,240,337	2,869,917	6.94	41.00	$11.20	$3,323,641	$25,779,472	$29,103,113	34.5	267.6	$7.93	4,386	10,000,000
Brompton	4,714,600	2,000,000 *250,000	140,000	120	90	330	1,321,066	e 766,707	4.41	e 4.79	4.20	k 3,670,498	18,384,095	22,054,593	77.8	389.9	4.73	1,400	6,000,000
Crown Willamette	a 20,000,000	1 200,000 shs 2 41,000 shs	1,000,000	650	210	......	5,510,924	e 2,795,480	4.59	e 2.00 5.67	1.15	8,436,065	51,655,283	60,091,348	42.2	258.3	10.84	477	5,000,000
International	45,139,100	1 28,229,500 2 3,590,500	500,000	1,450	500	2,290	8,212,384	3,550,301	3.74	1.79	3.14	21,726,369	94,702,152	116,428,521	48.1	209.8	2.79	18,800	34,000,000
Howard Smith	4,465,400	1,599,700	36,937	......	110	90	752,438	e 303,139	2.47	e 2.37	4.74	1,308,319	10,537,764	11,846,083	29.3	235.9	5.05	500	....
Laurentide	b none	none	288,000	388	50	515	3,021,868	1,906,833	......	......	6.62	k 7,966,604	23,307,532	31,274,136	......	......	6.67	3,100	....
Minnesota & Ontario	23,582,830	3,756,000	93,920	830	......	100	g 2,094,264	708,116	2.74	6.29	6.34	12,713,895	53,982,183	66,696,078	53.5	228.9	10.94	50,000	....
Port Alfred	5,642,500	2,020,000	60,000	400	......	150	806,816	e 313,093	3.17	e 6.53	4.42	1,319,744	8,951,881	10,271,625	23.4	158.6	1.90	1,550	10,000,000
Price Bros.	c 15,000,000	7,000,000	426,832	742	50	831	4,263,190	e 1,795,121	5.43	e 3.95	3.14	5,048,502	61,732,540	66,781,042	33.7	411.6	3.69	8,600	45,700,000
Provincial	1,387,000	1,700,000	35,000	......	110	65	1,060,304	586,299	12.64	4.92	13.35	1,580,108	7,009,520	8,589,628	113.9	505.4	11.17	1,300	....
St. Lawrence	b 8,257,800	2,500,000	50,000	160	......	230	h 969,695	435,893	h 5.03	2.18	4.72	k 1,513,940	7,793,612	9,307,552	18.3	94.4	3.73	1,139	4,500,000
St. Maurice Valley	a 19,656,833	13,000,000	150,000	660	25	755	......	......	......	......	......	3,643,498	39,257,500	42,900,998	18.5	199.7	......	5,455	15,000,000
Spanish River	b 10,486,607	8,619,500	94,470	720	35	900	3,743,448	2,195,902	5.39	3.64	16.86	9,831,079	32,387,262	42,218,341	93.8	308.8	4.19	20,170	....
Wayagamack	d 5,841,000	none	50,000	200	120	390	h 1,189,268	560,915	h 3.53	......	11.22	2,061,224	11,571,204	13,632,428	35.3	198.1	2.63	2,056	....

*Clermont Paper Co., Preferred Stock.
1. First Preferred
2. Second Preferred.
a. As at March 31, 1926.
b. As at June 30, 1926.
c. As at February 28, 1926.
d. As at November 30, 1925.
e. Before Taxes.
g. For six months ended June 30, 1926.
h. After Taxes.
k. With deduction of Tax Reserve.
m. Included in Current Assets.
t. Included in Fixed Assets.

Chart on Paper Stocks Prepared by Bond House

R. A. Daly and Company have prepared an interesting summary of the position of fourteen leading Canadian pulp and paper stocks. It is published herewith, through their kindness in giving permission for its use.

Despite Advance of Modern Machinery, Human Skill is Greatest Factor in Industry

(Continued from page 30)

cases, assumed by the company itself. Such a scheme, of course, should also be based on sound actuarial principles. A plan contemplated by one of the important members of our industry is the granting to the dependents of a deceased employee, a continuation of his salary for as many months as he had served in years, with a limit not exceeding twelve months. The plan has merit in that it rewards continuous service and provides the same maintenance over the period when assistance is most required.

So far I have been discussing ways and means by which employers may effect a closer relationship between their employees and themselves. Some of the proposals could only be put into effect in well established and prosperous industries constantly employing a large body of labor. If conditions permitted of their adoption then it is believed that on the whole they would be beneficial both to employer and employee. Now let us consider for a short time the human side of the relationship between industry and consumer, or, in our case, the farmer.

Industry and Consumer

HAVING only one class of purchaser—the farmer—the implement industry is different in this respect from almost any other group of manufacturers. Because we are so dependent upon the farmer and the farmer upon us, there should exist between us the most perfect understanding and a will to do the utmost for one another. We can only prosper as our customer prospers, and therefore, it is in our best interest to endeavor to increase his production and lower his operating costs as much as possible. In this respect, it is sincerely believed that perhaps at no time in the history of the industry has so much money, thought and labor been expended in the simplification, the greater utility, and the improvement of farm implements as is being done to-day. And these efforts are not in vain, for marked progress is being recorded resulting in reduced farm operating costs.

When it is remembered that 51 per cent., or four and a half millions, of the whole of Canada's population, and 49 per cent., or fifty millions, of the United States' population is engaged in farming, our clientele, while restricted in one sense, is exceedingly important in numbers.

It has already been stated that in our relationship to employees there is too much of a tendency to treat them in the mass. The same error not infrequently occurs when considering our "only customer." The "mass" or "class" treatment has occasioned much misunderstanding and misapprehension. Fortunately for those concerned, conditions have changed and there now exists a closer human contact which enables the two partners to appreciate more clearly the problems and aims of each other.

Farmer and Implement Maker

The practical contact between farmer and implement manufacturer is that of buyer and seller. The farmer must have implements, the manufacturer must have sales. It is the farmer himself, however, who decides when he will buy and what he will buy. Perhaps there was never a time when so much stress has been laid upon the art of salesmanship and the power of advertising as sales factors, as to-day. Not infrequently, however, what has been termed the "buyer's option" is overlooked; that is to say, that the final decision rests with the buyer. "Advertising stunts" and "high pressure salesmanship" may temporarily hold sales, but if what is being offered is not as suitable as some other article, a losing battle is being fought. Pyroxilyn lacquers for motor cars have almost universally displaced paint and varnish notwithstanding the millions spent in advertising by paint manufacturers. The buyer, the motor car user, has rendered his decision, and the enterprising paint manufacturer has recognized this and adjusted himself accordingly. In the same way, the ladies very generally have decreed that bobbed hair shall be the style and notwithstanding all that the hair pin manufacturer may say or do, his former customers will not buy.

Agricultural Scientist

In addition to an intimate association with our customer, in order to get his point of view and to obtain from the user of our products their strong points, their defects, or how they may be improved, much advantage has been derived by implement manufacturers through co-operating with government and institutional farms, experimental stations, agricultural colleges and universities. In these various bodies there are many of the most earnest and devoted students of agriculture; men who have an intimate and excellent knowledge of farm mechanics and engineering; men who are devoted to the interests of better farming and to the welfare of the farmer. These institutions and those who are engaged in them, can be helped by the implement manufacturer and we in turn can be helped by them.

It is true that the work of the investigator, the scientist, is slow. Much of what he does turns out valueless. Many theories have to be tested and tried in order that they may be proved or eliminated. Not infrequently in the lengthy investigations, governments, institutions and the public grow impatient, but when a great discovery is made all the expense and time and labor involved are forgotten and they are as nothing compared with what has been accomplished.

Take, for example, the discovery in 1904 of Marquis Wheat by C. E. Saunders when he was cerealist of the Dominion Department of Agriculture. As a result the grain producing area of the world has been extended almost to the Arctic Circle; or again, the recent development by the Dominion Agricultural Department of the new strain known as "Garnet" which has a growing period ten days shorter than Marquis. As a result of these experiments wheat has been successfully grown for several years as far north as Fort Vermilion, Alberta—350 miles north of Edmonton in Latitude 58 deg. What a tremendous advantage these and other discoveries both on your side and our side of the line have been to the farmer and the manufacturer, and how important it is that we should be in sympathy with the aims and efforts of these investigators.

Large Machines for Large Areas

Nowadays the tendency is towards larger units of land with less help. The agricultural requirement, therefore, is not simply for machines to lighten burdens—these of course are very necessary—but ones which will allow the same amount of labor to handle larger areas. This condition is perhaps not as noticeable in the United States as in Canada. The average size of farms in the United States (1925—145 acres) has shown no great change in recent decades. The breaking-up of large ranches in the west has been offset by some increase in the prevailing size of farms in the States of longer settlement. In Canada there is a different situation. Since 1911 the increase in the average size of farms was from 160 acres to 198. The largest number of farms average from 100 to 200 acres. In Western Canada the greatest number of farms average over 300 acres.

How has the implement maker met this situation? He has done so by producing larger machines, for example: the 28-run drill, 14 and 21-foot disc harrows, 10-foot binder, 15 and 16-foot reaper threshers. Figures have been published showing that the increase in the amount of crop one man could produce during the last fifty years was concurrent with the increased use which he made of machinery. Prior to the introduction of modern farm implements, one man could care for only 12 acres of crop. Now he handles 34 acres. Here is an outstanding example of the benefit which the implement manufacturer has been to the farmer.

Take another illustration indicating how the manufacturer has assisted the farmer in decreasing the amount of man power required per acre of crop. In 1920 the human labor applied per acre of crop was only 68 per cent. of what it was in 1870. In the last mentioned year, in the United States, 47 of every 100 workers were needed to produce the crops required to feed the nation. In 1920 only 26 out of every 100 were needed to raise foodstuffs. This fact is all the more significant when it is recognized that the production of wheat per 1,000 of population, in the period 1870 to 1923, had increased from 4,800 bushels to 52,200.

Combine or Reaper Thresher

The combine, or as it is known in our country, the reaper thresher, is by far the most outstanding implement of the day in that by its use, where formerly at least five separate and distinct major harvesting operations were required, two only are necessary to deliver the product of the field to the elevator. It is doubtless the most notable machine since the invention of the binder, which completely revolutionized the agricultural industry. It not only greatly facilitates and hastens the completion of harvesting, but it reduces the farmer's production costs by approximately fifty per cent. and materially solves his labor problem. Moreover, it lessens the farmer's long days of hard labor in the harvesting field and in many instances relieves his wife and family of the heavy task of feeding and housing the numerous additional helpers usually required at that time of the year. Where the combine has been introduced, the farmer and, in many instances, the members of his own family or the ordinary hired help are sufficient to handle the harvest.

The future development of this machine is difficult to forecast. One thing is certain—that its use in some form or modification will be forced upon all large grain growing areas by virtue of sheer economic necessity in order to be able to compete with the growers of those countries where their use has become universal. Our problem, therefore, is so to study and develop this machine and the related problems of its use, that means will be found to overcome the obstacles which still prevent its general use.

Credit for Farm Operators

Another question which must be considered in our relationship to the farmer is that of credit. We know that the farmer is to-day in need of reasonable credit. Governments, bankers, economists are devoting a great deal of time and thought to the study of this problem and much legislation has been put on the statute books with varying degrees of success.

The particular form of credit, however, to which I will briefly refer is that which the implement industry has been furnishing the farmer directly in Canada, and more indirectly, though none the less surely, through dealers in the United States. The industry can almost claim to be most experienced in what constitutes a reasonable and fair credit to extend to their customers, but, like experts in many other lines, we sometimes find that others less experienced, have beaten out new paths and are in advance of us. For example, in Canada, where there are very few dealers and manufacturers sell their goods directly to the farmer through their own commission agents, it was discovered a few years ago that we were practically the only industry to grant long term credits without any cash payment. The makers and distributors of automobiles, radios, furniture, all demanded a cash payment. After careful consideration, a scheme of 25 per cent. cash on delivery was adopted. The first year that the plan was put into effect sales were slightly affected, but now, as it is so generally recognized, it in no wise deters sales.

Better Than Indiscriminate Credit

This arrangement has been of inestimable value not only to manufacturers but also to farmers. The almost universal view is that it should have been done years ago. If it had, the indiscriminate credit which involved the farmer would have been avoided and the heavy losses which the manufacturers suffered would not have been incurred. Farmers, agents, salesmen, branch managers, are all of the same opinion. The farmers are in a better financial condition, the manufacturer's receivables are materially less, while his losses have been greatly reduced.

But, like all changes, it has not been universally adopted—a number of tractor and thresher companies are still selling machines without any such payment. (I can speak of this impartially for my company handles neither), and after giving the subject careful study and attention, my conviction is that in the interests of customers as well as manufacturers, it is unwise for these concerns to continue the present procedure.

Industry and Competition

IN COMING to the last part of my remarks, namely, the human relationship between competing firms, I believe that the more or less free exchange of ideas which now exists should become more general. Exchange of ideas among those in the same business cannot but in the final analysis be beneficial to the whole business. The old days of jealous secrecy are fast disappearing and co-operation among companies in the production side of business and in the evolution of the best marketing methods is becoming more common. Our farmer customers have benefited enormously by "swapping" experiences. After all, what is to be gained by an efficient management keeping secret its commercial processes? It may, on the other hand, derive benefit from the suggestions or activities of outside experts who are allowed to make themselves acquainted with the processes. If two men exchange an idea, each is richer by the fact that he now has two. The spirit of facilitating an exchange of ideas and experiences in any one branch of industry is responsible for such things as this convention.

If we can be of greater assistance to

(Continued on page 32)

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

P. Lyall & Sons Construction Company, Limited

Toronto - Montreal - Ottawa

ANNUAL REPORT of the DIRECTORS of

THE GOODYEAR TIRE AND RUBBER COMPANY OF CANADA, LIMITED

To the Shareholders: Toronto, October 23rd, 1926.

The balance sheet herein submitted sets out the results from operations of the past fiscal year. After providing for all manufacturing, selling and administrative expenses and for income taxes, the profits for the year were $2,246,640.89. From this amount there has been set aside $589,275.58 for depreciation of buildings, plant and equipment, leaving a net profit of $1,657,365.31.

Owing to the late returns, we have not had sufficient time to ascertain the export profits for the months of August and September, therefore, they are not included in this statement. The following summary shows the distribution of the profits for the year:

Expenditures on Additions to Plant and equipment (net)	$ 451,757.67
Deferred Dividends on Preferred Stock Paid	157,500.00
Current Dividends on Prior Preference and Preferred Stocks Paid	521,988.00
Investments and Accrued Earnings in subsidiary Companies	66,782.93
Increase in Working Capital	1,048,612.29
	$2,246,640.89

On previous statements you have noticed an item of reserve for contingencies, of $175,311.87. This amount was set up to provide for a loss on a power contract made with the Toronto Power Company in 1919, which claim has been settled for considerably less than the reserve provided, and the balance of this reserve has been credited to your plant investment.

You may be interested in some of the improvements that have taken place in your Company during the last five years. Your net investment in property and plant has increased $989,806.60. Your working capital has grown by $3,069,334.42, and stands at the close of business September 30th, at $6,118,746.35. The disbursement of dividends during the same period to the Prior Preference and Preferred shareholders amounted to $2,834,760.81.

These substantial amounts, which aggregate $6,893,901.83, have been provided solely from earnings of the Company, therefore your Company is not incumbered with any form of fixed indebtedness, nor has it issued additional capital stock.

The accumulated undivided surplus at the close of the fiscal year amounts to $3,105,025.61; the reserve for depreciation on plant and equipment is $2,455,892.63, making an accumulated reserve and surplus of $5,560,918.24. We might add that from time to time, and especially this year, considerable amounts have been written off for obsolescence, and your property to-day is absolutely free from obsolete equipment. Your inventories are low considering our volume of business. The finished stocks on hand represent, not to exceed, five weeks sales requirements. The inventories are free from slow moving and defective stocks.

The profits for the year are equivalent to three and 1/5 times the annual dividend requirements for the Prior Preference and Preferred stocks, and are $607,924.94 in excess of last year's profits. After providing for these dividends there remains from the profits of the past year $1,135,377.00, which is at the rate of $21.29 per share of Common stock outstanding. Our cash position at the close of the fiscal year was $1,037,463.90. Your Company has no Bank indebtedness nor obligations of any kind, excepting bills not due for discount.

During the entire year we operated on a constantly declining rubber market, the market receding from a high point of $1.14 per pound to a low point of 37½ cents. The weather conditions throughout the motoring season have been exceedingly bad and thereby, materially lessened the consumption of tire mileage.

It might be assumed from the favorable results of the year just closed, and from the consistent earnings of the company since its inception, that we are taking an undue profit. The reverse is true, as our profits on sales before providing for dividends are only 6.46%, which is a very small return for any manufacturing industry. By rapid turnover and economy in operating, we have been able to sell to the Canadian public at a very reasonable price, especially as compared with the prices in the United States, where they have practically all of their material and equipment duty free; have no sales tax, whereas Canada has a 5% tax. They have a more advantageous climate, and owing to their large population and smaller area, the cost of distribution is materially less. Our sales for the year have been the largest in the history of the Company, totaling about $26,000,000.

Your Company has stability in its distribution of product; its domestic business is well proportioned between dealers and manufacturers; it enjoys a substantial foreign business, and is now selling on a profitable basis in 85 Countries. Your foreign trade is a balance to your production and keeps your plants operating close to capacity throughout the year.

About April 1st, your Company purchased all of the Common stock of the Goodyear Cotton Company of Canada Limited, at St. Hyacinthe, Quebec. The Goodyear Cotton Company was formed for the purpose of buying and operating the Manhasset mill. This mill is practically new and stood on the books of the company at $1,475,336.89; its equipment included over 15,000 spindles. The Goodyear Cotton Company purchased the mill for $775,000, paying for same in bonds and stocks, viz: $300,000 of 6% bonds at par, redeemable at par, and the balance in 7% Preferred stock at par, redeemable at par. Additional equipment has been installed, making the total number of spindles in excess of 20,000. This mill is competing with the lowest competitive markets and making a good profit. All profits from the mill, after paying interest on the bonds and dividends on the Preferred stock, amounting to $51,250 revert to your Company. Besides the revenue derived, it gives your Company a superior grade of fabric, which will be favorably reflected in the product of your Company.

The Board of Directors and the Officials of your Company appreciate the support, the confidence and encouragement given at all times by the shareholders, of which 2,540 out of a total of 2,820 reside in Canada. We enter the present year well equipped for any conditions that may arise during the year.

Yours respectfully,

C. H. CARLISLE, President and General Manager.

BALANCE SHEET AS AT SEPTEMBER 30, 1926.

ASSETS

REAL ESTATE, BUILDINGS, PLANT, MACHINERY & EQUIPMENT			$7,858,388.96
INVESTMENTS IN AND ACCRUED EARNINGS ON SUBSIDIARY COMPANIES			66,782.93
CURRENT AND WORKING ASSETS:			
Inventories:			
Stocks on hand—Raw Materials and supplies	$1,127,884.26		
Goods in Process	490,521.05		
Finished Goods	2,446,740.54		
		$4,065,145.85	
Accounts Receivable:			
Customers	$2,181,870.42		
Miscellaneous	183,371.02		
	$2,365,241.44		
Less—Reserve for bad & doubtful accounts	82,066.16		
		$2,283,175.28	
Cash:			
In Banks	$ 916,378.77		
On hand and in transit from branches	121,084.73	1,037,463.50	
			7,385,784.63
DEFERRED CHARGES TO OPERATIONS:			
Insurance, taxes and rents paid in advance			58,498.81
			$15,369,455.33

LIABILITIES

CAPITAL STOCK:			
Six per cent. Cumulative Prior Preference Stock:			
Authorized — 45,000 shares of $100.00 each		$4,500,000.00	
Issued—34,498 shares of $100.00 each			$3,449,800.00
Seven per cent. Cumulative Preferred Stock:			
Authorized — 150,000 shares of $100.00 each		$15,000,000.00	
Issued—45,000 shares of $100.00 each			4,500,000.00
Common Stock:			
Authorized — 150,000 shares of $10.00 each		$1,500,000.00	
Issued—53,320 shares of $10.00 each			533,200.00
TOTAL CAPITAL			$8,483,000.00
CURRENT LIABILITIES:			
Accounts payable		$ 848,195.98	
Miscellaneous		189,344.11	
Dividends on Prior Preference and Preferred Stocks payable October 1st, 1926		287,997.00	
			1,325,537.09
RESERVES:			
For depreciation of buildings, plant, Machinery and Equipment			2,455,892.63
SURPLUS:			
Balance at October 1st., 1925		$2,127,148.30	
Add—Profit for the year ending September 30th, 1926, before providing for depreciation, but after deducting income tax	$2,246,640.89		
Less—Reserve for Depreciation	589,275.58	1,657,365.31	
		$3,784,513.61	
Deduct — Dividends on Prior Preference and Preferred Stocks: On account of arrears	$ 157,500.00		
Current year's dividends	521,988.00		
		679,488.00	3,105,025.61
			$15,369,455.33

Note:—
Dividends on the Seven per cent. Preferred Stock are in arrears to the amount of $78,750.00.

To the Shareholders of THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED October 23rd, 1926.

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited, for the year ending 30th September, 1926.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Company at prices not in excess of cost or market; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at 30th September, 1926 are included in the Balance Sheet.

And we certify that the annexed Balance Sheet is drawn up so as to show the true financial position of the Company as of that date and the results from the operations for the year ending 30th September, 1926, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO., Auditors.

BOARD OF DIRECTORS:

C. H. CARLISLE, Toronto; C. B. McNAUGHT, Toronto; E. G. WILMER, Detroit; P. W. LITCHFIELD, Akron; J. E. McALLISTER, Toronto; P. A. THOMPSON, Montreal; C. K. ESPENHAIN, Akron.

EXECUTIVE OFFICERS:

C. H. CARLISLE, President and General Manager; C. B. McNAUGHT, Vice-President.
J. G. LANE, Treasurer and Acting Comptroller; R. C. BERKINSHAW, Secretary; W. H. JEEVES, Asst. Treasurer;
H. A. TIPPLE, Assistant Secretary and Assistant Comptroller; B. W. LANG, Assistant Comptroller;
H. C. LOWER, General Sales Manager; E. H. KOKEN, Factory Superintendent;
R. P. D. GRAHAM, Manager, Export Department.

LIST OF BRANCHES:

General Offices: NEW TORONTO, ONT. Factories: BOWMANVILLE, ONT., NEW TORONTO, ONT.

Vancouver, B.C., 1004 Homer St.; Calgary, Alta., 335 8th Ave. West; Edmonton, Alta., 10229 105th St.; Saskatoon, Sask., 118 3rd Avenue South; Regina, Sask., Cor. Broad St. and 6th Avenue; Winnipeg, Man., 97 Higgins Ave.; Fort William, Ont., 303 Simpson St.; London, Ont., 318 Dundas St.; Hamilton, Ont., 127 King St. West; Toronto, Ont., 152 Simcoe St.; Ottawa, Ont.; 246 Queen St.; Montreal, Que., 318 St. James St.; Quebec., Cor. Crown and Fleury Sts.; St. John, N.B., 83 Prince William St.; Halifax, N.S., 84 Hollis Street. Wholesale Distributors at Victoria, B.C.; Lethbridge, Alta., and Walkerville, Ont. Over Four Thousand Canadian Retail Dealers carry stocks of Goodyear Made-in-Canada Automobile Tires.

NORTHLAND TRIP EYE-OPENER EVEN TO FINANCE KINGS

Can. Bank of Commerce Party Enthusiastic Over Developments

There was a rare touch of enthusiasm in the atmosphere of Toronto's old Union Station on Thursday morning of this week, when fifty Canadian business men stepped from their special car after a week's visit to Northern Ontario. The party was taken north by the Canadian Bank of Commerce. For the great majority of the men it was their first trip to the North Country, and for those who thus came in actual contact with the great developments in mine and industry which have taken place in recent years, the trip was nothing short of a revelation.

"It will do an enormous amount of good," said Sir John Aird, president of the Canadian Bank of Commerce to The Financial Post. Most of the men had never been there before, and were simply amazed at the vast potentialities of the country. We visited new mines and old,—gold and silver—and everyone was delighted with the progress that is being made up there. The trip was a great success."

The party was organized by the directors of the bank, who took with them as their guests, a group of outstanding business and financial men, representatives of all branches of commerce and industry. The party visited Cobalt, Haileybury, New Liskeard, Kirkland Lake, Timmins, The Abitibi Pulp and Power plant at Iroquois Falls, Kapuskasing, Sudbury and Coniston. C. A. Birge, of Hamilton, a director of the Canadian Bank of Commerce, was equally enthusiastic about the north country, and expressed the view that the trip had been exceedingly profitable both to the directors and their guests.

Sidney H. Logan, general manager of the bank, who was chief guide for the party, told The Financial Post that it was a wonderful success. "Everybody had their eyes opened to what is going on up there. Many had not been there before, and it was a fine experience for them."

MILLIONS INVOLVED IN BONDS REDEEMED

Nine Issues Are Being Called By Those Who Issued Them to Public

Dominion Securities Corporation, Montreal, have prepared a list of securities that interest Canadian investors and that have recently been called for payment.

Brompton Pulp and Paper 8 per cent. bonds, due 1939, have been called for redemption on March 1, 1927, at 105.

Brompton Pulp and Paper 8 per cent. bonds, due 1941, have been called for redemption on May 1, 1927, at 110.

Canada Paint Company 5 per cent. bonds, due in 1930, have been called for redemption January 1, 1927, at 105.

Canada Steamships Lines 7 per cent. bonds, due 1942, were paid off in full on November at 105.

Sherwin-Williams Company of Canada 6 per cent. bonds, due 1941, are being paid off on the first of January. Holders receive 110.

Montreal Light, Heat and Power preferred, $30,000,000 in all, was redeemed on Monday last.

Massey Harris Company has called $400,000 of 8 per cent. bonds, due 1930. These were paid off October 15 at 102.50.

United States of Brazil called $300,000 of 6½ per cent. bonds, due 1957, at 100, on October 1 last.

Kingdom of Italy has called $1,500,000 7 per cent. bonds, due 1951, for redemption at par on December 1.

International Paper Will Have High Newsprint Output

The International Paper Company, through its Three Rivers mill, will add about 100,000 tons to the increase in the production of newsprint in Canada during the year 1926. Early in the year four new machines were installed at Three Rivers, bringing the capacity of this mill up to 700 tons daily. The actual production of newsprint by the company at Three Rivers and in the United States mills in 1925 was 353,880 tons, an average of between 1,100 and 1,200 tons daily. The estimated output for the entire year 1926, from figures of actual production up to September 30, is 452,357 tons or an average of over 1,500 tons daily. This will be, it is understood, the largest newsprint production the company has ever recorded, the daily output, when the United States mills were running full and before the Three Rivers plant was constructed, standing under 1,200 tons daily. For some years the total output of the company in paper was about 1,800 tons daily, but a third or more of this was other kinds of paper.

Including bag, wrapping paper, specialties, book and writing, the total output in 1925 was 517,073 tons or an average of about 1,720 tons daily. The estimated total for 1926 of all kinds of paper is 609,305 tons, or about 2,030 tons daily.

In addition, there will be about 125,000 tons of pulp for sale as surplus production.

Canada's Gold Production Lightens World Problem

Canada's gold production in the next generation will be an important factor in world finance.

Professor Cassel, in the quarterly review of the Skandinaviska Kreditaktienbolaget an article on the shortage of gold, expressed ideas confirmatory of the views of other experts that gold production is not keeping pace with the world's economic developments and calls for great economy in its use if price levels are not to be rudely disturbed. Cassel, however, declares that "with a judicious use of the gold reserves in the United States, which hitherto have practically been left untouched, it should be possible for a fairly long time yet to maintain with perfect security a price level of, say, about 150."

He adds that the question of gold supplies will constitute for the next thirty years the great monetary problem of the civilized world.

Here is where Canada's production will assume increasing importance.

MARCONI STAKED FUTURE ON BEAM; WON BIG VICTORY

Company is Maturing Plans for Extensive Use of System

The hope has been expressed that there may shortly be inaugurated on the Canada-England link of the new Marconi beam wireless system, a service for the transmission of checks by wireless, as the first step toward so augmenting the beam scheme as to provide for every innovation in communication. Various of the dominions, particularly Australia, have asked that the new system also be put into use for inter-imperial wireless telephonic communication. This grew out of the successful overseas telephone tests recently conducted between England and the United States, and reports that a commercial service of such nature would be opened to the public next year. Officials of the Marconi Company and the General Post Office of Great Britain, however, have pointed out that the beam wireless as at present planned should prove adequate for empire requirements for several years to come, there being no pressing needs for a wireless telephonic system for the Dominions.

This new type of Marconi wireless marks the most important development in the history of wireless telegraphy for the empire thus far. The decision to build an interlocking system of wireless stations is the outgrowth of five years' discussion and planning in various parts of the empire. The war particularly demonstrated the need of closer communication between the Dominions and the mother country. A system of undersea cables was considered, but due to various reasons it was ultimately abandoned for the Marconi beam system.

Closer Trade Relationships

While it is the hope of empire leaders that so effective and far-reaching a system of communication will do much in the way of establishing a closer political unity among the colonies, the immediate value lies in the potentialities of closer trade relationship.

In each of the Dominions there are two beam stations, one receiving messages from and the other sending them to London. In Canada they are located at Yamachiche and Drummondville, respectively. These are connected with the Marconi main office in Montreal, where wireless men handle all the messages. There are two aerial systems at each of the Canadian stations, one having five masts 300 ft. high, and the other three masts 250 ft. high. The operating house is about one-quarter of a mile from the masts. Each mast system supports a curtain of aerial wires and deflector curtain, and while one mast system directs electrical energy toward England, the other directs it to Australia. Each set will require fifty kilowatts to operate it. At Drummondville the Marconi Company is taking 48,000 volts from the Southern Canadian Power Company and stepping it down through an outside substation on the site to 550 volts. This is used to drive the special generative sets to provide power for the 10,000 volt direct current rectifiers and other auxiliary plants used in operating the wireless transmitters.

English and Empire Stations

The transmitting stations in England are located on Bodmin Moor in Cornwall for communication with Canada and Cape Town, South Africa and at Tetney, near Grimsby, for communication with Poona in India and Melbourne, Australia. The receiving stations are located at Bridgewater, in Somerset, and at Winthorpe, near Skegness.

The imperial stations have been designed and are being built by the Marconi Wireless Telegraph Company, Ltd., for the General Post Office, London. At the time it undertook the project, the Marconi Company was considered to have staked its reputation, so great were the apprehensions over the success of beam wireless. With the completion of the tests, however, it is apparent that beam wireless marks the beginning of a new era in communication, with far-reaching effects not only for the British Empire but for the world at large.

Despite Advance of Modern Machinery, Human Skill is Greatest Factor in Industry

(Continued from page 31)

humanity by freely giving ideas to and receiving ideas from other manufacturing concerns, what is to be gained by not so doing?

Hold Agriculture's Destiny

This industry of ours, which is one of the oldest, is of very great importance. Agriculture is the first and oldest industry and we are its closest allies. In our hands, to a certain extent, we hold its destiny, and this grave responsibility should be felt by all. Our industry might not, during recent years, have made quite as rapid growth as some of the newer ones, but, in the long run, it is perhaps more stable.

When we consider the possibilities and responsibilities of it, we begin to realize just how much the world is depending upon us. Many of the older countries, in which farming has been practised for centuries, are only now beginning to use modern implements. Take for example Africa and parts of Europe; or consider for a moment the potentialities of Asia, particularly India and Russia. It is our duty to teach the people of these countries how to use labor-saving devices efficiently and also to educate them in their value. This in itself is a very large undertaking. Then again consider the great extent of undeveloped arable lands which are yet to be entered upon by us. In Canada alone only two-fifths of the land fit for tillage is, as yet, cultivated.

When we consider, therefore, the work which we have already accomplished and that which is still ahead of us, we realize just how important and powerful our industry is and we should be all the keener to give our best to those who are assisting us in this great work.

First announcement of

WILLIAM FINDLAY
COMPANY, LIMITED
Advertising
67 Yonge Street, Bank of Hamilton Bldg., Toronto

WILLIAM FINDLAY COMPANY, LIMITED, *General Advertising Agents,* are now located at 67 Yonge Street, Bank of Hamilton Building, Toronto 2, Telephone ADelaide 4295. They are occupying offices formerly known as rooms 726, 727, 728, 729, 730, 731 and 732.

The chief of the new organization has handled many important national campaigns, while partner in one of the larger agencies and in charge of its Toronto office. Few Canadian advertising men have had so great an opportunity for association in business circles in all parts of Canada and many parts of the United States.

Associated with Mr. Findlay are men who likewise have achieved success in advertising. To the new Agency each has brought a record of accomplishment combined with energy and ability.

ARTHUR J. FRANCIS, *Secretary-Treasurer,* formerly was secretary to Mr. Findlay and later his executive assistant. He is well versed in agency practice and internal management. He relinquished the position of Secretary of the Canadian Association of Advertising Agencies on joining William Findlay Company, Limited.

HENRY J. ELDER

HENRY J. ELDER, *Director,* has had a long experience in both daily newspaper and magazine advertising. Working on constructive lines as representative of single publications, he has developed a number of national advertisers. His entry into the general advertising agency business is a transition which follows naturally upon his effort and accomplishment in the past.

DONALD F. PHILP, B.A., *Director,* has done notable work in production for national advertisers while a member of the copy staff of an important agency in Toronto. He combines a liberal education and practical experience with a natural faculty for visualization of layout and the writing of copy. Mr. Philp is a graduate of the University of Alberta and holds the Art Supervisor's Diploma from the Ontario College of Art.

The WILLIAM FINDLAY COMPANY, LIMITED, invites correspondence or conference with those who would know more of its ability to serve national advertisers.

DONALD F. PHILP

WILLIAM FINDLAY

ARTHUR J. FRANCIS

WILLIAM FINDLAY COMPANY, LIMITED, *Advertising,* TORONTO 2

THE NATION'S BUSINESS

(Continued from page 1)

serving a portion of their offerings for the London market and arranging for their proper presentation there.

* * *

WHILE Canada has powerful influences fighting artificial influences on trade, in the form of export restrictions and taxes on raw materials and tariffs on finished products, other nations are not hesitating to develop their industrial prosperity in every sound way. The recent action on behalf of British rubber growers of restricting exports in order to maintain a steady level of prices in foreign countries is of considerable significance. Here the restriction is upon a commodity that is a crop, replacing itself quickly, and not upon an exhaustible or slow growing commodity, such as pulpwood or asbestos, where export restrictions have been suggested in Canada. He have, of course, had an export tax on wheat suggested, but more as a temporary expedient to offset the troublous influences of the United States Fordney duty of 42 cents on Canadian wheat, than for any other reason.

The Southern United States is developing commercially at the present time chiefly because its leaders have set out to insure the home manufacture of the South's raw materials. As the South is not a political entity, governmental measures cannot be applied but cash and brains are doing the job. Textile mills are going up to manufacture the South's cotton in the South. Paper mills are being built to utilize the rapidly-reproducing soft woods below the Mason-Dixon line. Instead of merely selling its raw materials to others, the South is becoming more and more of a manufacturing section itself. The greater profit realizable from manufacturing is thus kept at home.

In this connection, it is not without interest to observe that it was a Southern paper, the Manufacturers' Record, of Baltimore, that remarked: "No nation ever got rich by exporting raw materials."

* * *

IF ONTARIO votes for government control of liquor sales, Nova Scotia is likely to submit a similar question to popular vote. Such is suggested by the New Glasgow News, which says:

"What The Financial Post, one of Canada's leading authorities in the realm of business, has to say in regard to the matter of government control of the liquor traffic in Ontario, as proposed by Premier Ferguson is of decided interest. Stranger things have happened than that Premier Rhodes' big brain is bubbling with something similar. Whether it will reach the boil-over point or not, we presume, will depend to some extent at any rate upon the outcome in Ontario. Ontario doesn't take kindly to learning how to do things from Quebec and that may be a factor in the situation to some extent."

* * *

AMONG a number of important opinions voiced by Sir Alfred Mond, when he returned to Britain, after visiting Canada and the United States was a protest against "whining" by men like Dean Inge and others on Britain's position. He said:

"It is almost intolerable that men who are experienced neither in finance nor commerce and who have never had to deal in a practical way as others have with business matters of vital importance to Great Britain, should hinder our efforts when we are trying to hold our ends up."

* * *

G. W. ROBERTSON, secretary of the Saskatchewan wheat pool, who is in Australia as a delegate from the Canadian wheat pool organization, is making a strong appeal to wheat growers of Australia to organize on the same lines. He is apparently acting for certain United States and European interests and he admitted that the ultimate objective was the formation of a great world wheat pool. In a public interview with the newspapers, he pointed out that: "There are no geographical boundaries, particularly in the matter of co-operative marketing. So it is that we want to see Australia and Argentina linked up with us in this great wheat-marketing organization for the advantage of the farmers of each of these countries."

In reply to enquiries, he admitted that the success of the pool depended upon forcing the farmers into an ironclad agreement to place themselves absolutely in the power of the pool, and he pointed out that these contracts required the farmers to deliver all the wheat that he owns, grows or acquires for a period of five years; these contracts have been carefully drawn by the ablest lawyers, and their validity had recently been settled in a test case in the full court of appeal. His story is making a strong appeal to the wheat growers in Australia, though the question is being raised as to the wisdom of putting the entire control of the world's wheat production and sale in the hands of the small group of German-French financiers, who would eventually control the world's wheat. To this, the answer is another question: Why should the farmer worry over great profits of the international wheat pool if he gets good prices at his own door for his product?

However, there is a strong group in Australia who ask if the Empire should allow itself to be drawn into an International wheat pool controlled in foreign countries.

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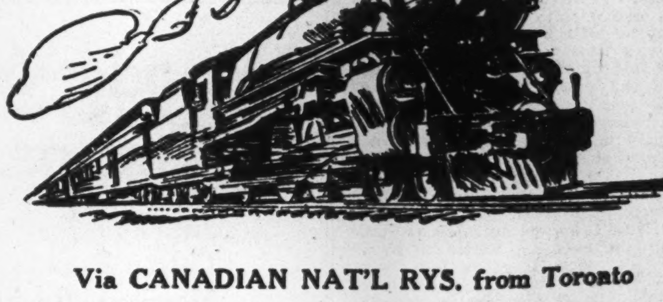

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